THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

October 2, 1948

CHINA IN ASIA

AN EDITORIAL

Currency Reform In Kunming

Galahad Wood

South Korea's New Premier

Hugh Deane

Burma: Rebirth And Present Ordeal

Lin Wo-chiang

MUTUALLY MISINFORMED-II

AN EDITORIAL

VOLUME 111 | Gold Yuan 60 Cents | NUMBER 5

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Child Tin Miners

To The Editor:

Re child labor in Yunnan tin mines, I read with great apprehension the editorial in the issue of the *China Weekly Review* dated June 26, 1948. It is indeed deplorable that cruelty to children on such a big scale should be allowed to exist for the past several decades; and the reputed complacence of the Chinese people seems to have taken the whole matter for granted.

There is one point, however, on which I have some bone to pick with your editorial comment. You said that it "is a first rate exposure of some of the failings of the present governmental system in this country." I am not quite sure what the provincial government of Yunnan is going to say about it; but the Bureau of Factory and Mining Inspection of the Ministry of Social Affairs did send one inspector of mines to Ku-Chiu in 1945-1946. Based on his detailed inspection report, the Ministry instructed the Bureau of Social Affairs of the Yunnan Provincial Government in 1947 to gradually decrease the number of children in the Ku-Chiu tin mines. Recently, a technical expert of the Bureau of Factory and Mining Inspection was deputed by Minister Ku Cheng-kang to carry out actual inspection work in that area with the specific duties of (1) enforcing the regulations on Labor Welfare Fund of Workers and Staff-Members promulgated by the Government in 1943, (2) drafting minimum safety and health standards for tin miners, (3) directing miners' unions to actively develop welfare services and (4) gradually forbidding the employment of children in the mines. The progress of his mission will be reported to the Ministry before the end of this year.

The child-labor problem is not strictly a problem of labor administration. It is mainly an economic and social problem. No well-to-do person is willing, or has the necessity, to send his or her child to a workshop. It is only when the only alternative is starvation or privation worse than slavery that children enter into productive employment. Not that the abhorrent conditions in Ku-Chiu are in the least justifiable, but the crux of the matter seems to lie in the gradual elimination of poverty and the elevation of the social and cultural standards of the population, especially in the outlying districts of China. This, in fact, is the ultimate objective of national reconstruction; and it behooves the Chinese government and people to strive unflaggingly towards this goal. Then, and only then, conditions in Ku-Chiu will be comparable to those of advanced industrial countries in Europe and America.

T. K. DJANG.

Nanking
September 25, 1948

Silent Dynamo

To The Editor:

The Tangku New Harbor Construction Bureau has ceased almost all of the harbor construction work. The appropriations assigned to this Bureau

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The Shanghai Evening Post & Mercury
19 Chung Cheng Road, Shanghai (13).

by the government can hardly meet even the staff salaries.

One is struck by the miserable picture of idle dredging boats, deserted dockyards, and useless lockgates.

Several months after completion of the power plant, which proved very effective, the dynamo ceased operation because of the lack of coal. We now have to rely upon the local electricity corporation to keep the pump and repair shop running.

Seven out of eight dredging boats have stopped working. Great quantities of mud carried down by the Haiho River floods have clogged the lockgate. The lockgate is unavailable to incoming or outgoing ships.

Two elevators which had a satisfactory record of unloading 600 tons of coal per hour shared the same fate as the dredging boats. The 900 foot belt of the elevators, by long exposure to sun and rain, is getting worn.

In the open yard, you can see lots of discarded machines and trucks, bulldozers and tractors.

I was told by the responsible engineer of this Bureau that the reason for the ceasing of construction is lack of money. Whenever the Executive Yuan finally passes an appropriation, the prices of materials have risen.

As regards the future of the plans, no one dares venture to say when the work can be commenced.

W. Y. KANG.

Tangku, Hopei
September 10, 1948

Severe Law

To The Editor:

The death sentence passed by the Special Criminal Court and the execution of Wang Chun-chih, general manager of Lin and Wang Co., on September 24 on account of economic offences has shocked many public-minded citizens of this city. The law in this instance seems to have been applied with undue severity.

We have no sympathy with Wang or his like, and we agree that he should be punished, but we maintain that the law must be justly applied, and that "the object of punishment is the protection of society and the reformation of the offender." Nothing, in the view of the most progressive jurists of today, but murder can justify capital punishment. A civilized community does not pass death sentences on its members on account of political or economic offense.

The world has been rightfully outraged by the totalitarian Bolshevist State which, until it abolished capital punishment by a recent law, has resorted to passing death sentences by special courts for political offenses or to those who did not believe in communism. A Chinese proverb says "A human life is three feet wider than heaven." The Bible says, "Who so sheddeth man's blood, by man shall his blood be shed." Few things indeed are more odious than the indiscrimate killing of men by the State.

PUBLIC CONSCIENCE.

Shanghai
September 26, 1948

KMT Housecleaning

To The Editor:

I fully subscribe to the viewpoints expressed in your editorial, "Kuomintang Housecleaning." Would that this piece be read by the many Kuomintang authorities who, for years, have been indulging in money making without paying much heed even to the interests of their party.

If the 50-year old party is to be

saved from elimination their attention must be aroused. As you so aptly put it: "Conditions in this country today are radically different from what they were in 1924." If the KMT leaders continue to be corrupt and rotten there is no doubt that the long years of labor by Dr. Sun Yat-sen will be futile.

How to strengthen the Kuomintang? It is easy, I think, if they are serious. To achieve this, I have three ways of curing the nation's illness. The first is the actual carrying out of the San Min Chu I. The second is the cessation of the conflict between the KMT cliques. The third is a drastic reorganization of the party. However, all these will be without effect if they are not carried out with sincerity. So, if the organization remains enmeshed in red tape as usual it will avail the KMT nothing whatsoever.

CHIA CHUNG-YI.

Sian, Shensi
August 25, 1948

Student Rates

To The Editor:

I have been a subscriber to the *China Weekly Review* for a year and know that your magazine has a great many readers in this country and other parts of the world.

I feel that I must tell you that by virtue of reading this magazine I have found that I have made a good deal of progress in learning and studying English. I have learned a good number of words and phrases which I see and remember. Such terms as, hit-and-run, total war, cold war, iron curtain, red-baiting, etc. have all been informative and I know that I could never find them in an ordinary English dictionary.

The *Review* has always seemed to me to be an intimate friend without whom I could not live satisfactorily. In the hope of accelerating my study of English, I frequently took some articles from the *Review*, translated them into Chinese, and contributed them to the local press for publication when I was in Kaifeng. It is a pity that the so-called "Kaifeng Campaign" began on June 16 with heavy attacks on that city by the Communists. I escaped to Chengchow under a network of fire and explosions caused by the Nationalist planes. The capital of Honan province was "liberated" on June 22 by the Reds and "recaptured" on June 26 by the Nationalists. After 10 days of fierce fighting, the battle was over but my books, including a portion of the newspapers in which the above mentioned articles were published all had disappeared from my room at school.

As a long time subscriber to the *Review*, I think that I should be allowed to express my opinion regarding this magazine.

The price of one copy is now GY 60 cents. Certainly, this is a small figure in the eyes of the gold bar holding circles. But it is an impossible price for the poor student. It, therefore, would be fitting and proper to give a special reduced subscription rate to these hard studying students in order to assist them in getting more opportunities to become informed and also to help their English studies.

According to the notice which appeared in the *Review* of September 18, you have decided to grant your student readers a special rate for subscribing to the *Review*. Of course, it is a boon to us but, in my opinion, even with the discount of 20 percent the rate is still too high. I, and many of my schoolmates believe that a reduction of 50 percent, such as the *Kuan Chih* (*The Observer*) has made, would be of great aid to the students.

As a rule the students always used to have great interest in literature. The

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—LOUIS KOSSUTH.

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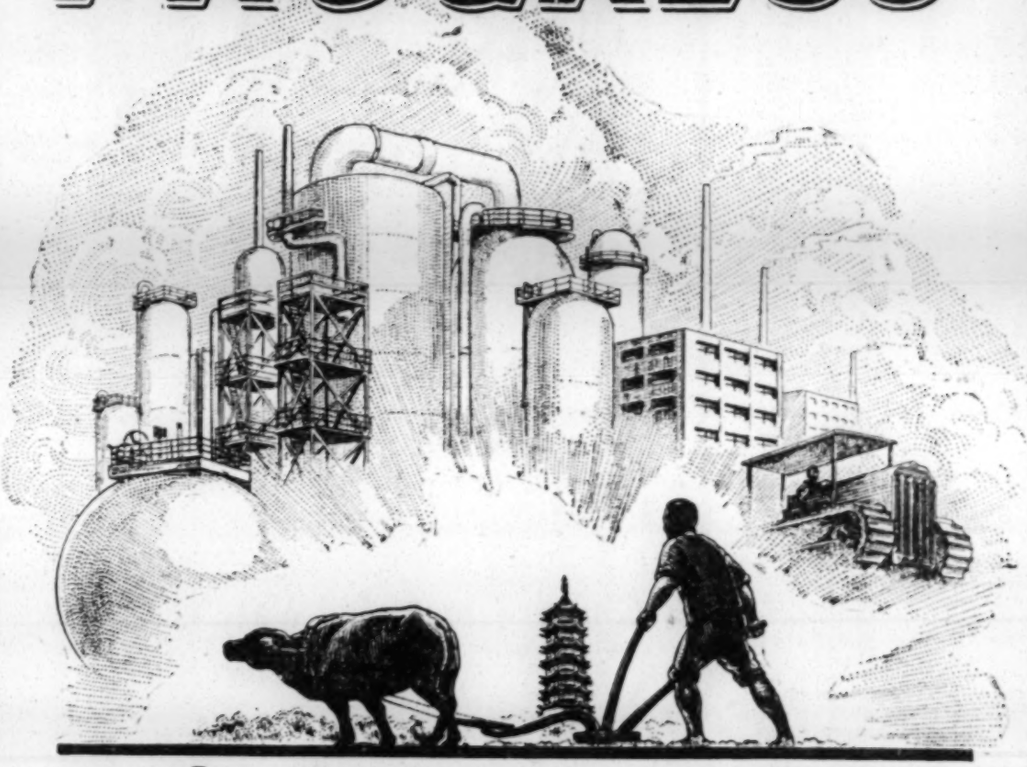

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Review ought to have a section on literature added to its contents in order to meet the needs of the students.

I pray that you will take what I have said into consideration.

L. Ch. W.

Soochow, Kiangsu
September 23, 1948

Correcting Corrections

To The Editor:

After scrutinizing a letter captioned, "Corrections Offered" by F.F.A., which appeared on page 250 of your July 31 issue, I see that the author of this letter is simply in favor of Mr. Wei Tao-ming, Governor of Formosa. On top of this, he dares to contend that "Dr. Wei is doing far more in Taiwan Province than what governors in other provinces on the mainland are doing for their respective provinces."

Now let me have my say. F.F.A. blindly accuses Mr. H. T. Lee of telling lies in his article in the *Review* and says that Mr. Lee "does not have all the facts." Who does have all the facts? Certainly not Mr. F.F.A.!

From where I sit, however, in order to avoid future waste of time and effort, I have a suggestion: If Mr. Wei were to get rid of the charge that he lives in grand style and should request that his family be moved to a less splendid home and leave his present residence to be used as a Government institution, then F.F.A. would have something to talk about.

Besides, I must go one better and correct F.F.A.'s dogmatic conclusion. First of all, I cannot but help admire his chance to visit Mr. Wei and observe the plans on paper. But it is highly regrettable that I haven't seen our Government do anything about these plans. In fact, everything here grows worse and worse and thousands of people are suffering.

It, therefore, need hardly be said that Mr. Wei is more of a lawyer than a governor. Nobody can deny this. Last of all I must conclude by using a proverb in order to teach F.F.A. a lesson: "It is no use of boasting about a thing until it is done, and even then it is no use." We should never count our chickens before they are hatched, and still less, count them when there is no hen to be seen.

F. C.

Taipeh, Taiwan
August 21, 1948

World View

To The Editor:

You ask for comments, suggestions...

Give us more news items which we folk in the interior would never hear on the radio or have time to plough through in a daily paper to find and news items of interest and value to us as Americans or world citizens in inland China.

Recently, I picked up one of your 1940 *Review's* and found that it had more news items, cartoons, and seemed more world conscious than you are now.

I must say that you are true to your name, but beans, beans, beans gets very tiresome week after week. Let's have it spiced up with interesting news items from other parts of the world as well as from China.

Is it a big order? Is it asking too much of the staff? We'll leave that for you to decide. You did it before and can do it again. Go to it. We're back of you.

JAMES VIGNA.

Siaho, Kansu
August 28, 1948

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Educational Abuses

To The Editor:

As the west wind blows, the long and terribly hot summer vacation is now drawing to an end and the next academic year will soon begin. Teachers and students, after their rest, will soon return to school to begin their further study or research work.

At this time, I, though only a primary school teacher, and not qualified and highly-ranked enough to write on some theoretic and high-sounding topic for academic magazines, as is done by experts and professors, still want to speak out about something that I have personnally undergone with great bitterness. I want to speak for the thousands of teachers who have honestly and zealously worked in their field for the coming generation, but who are the unfortunate victims of the disgraceful "War of June and December."

This "war" is the logical fruit of bureaucracy, of the irrational, unhealthful and corrupt personnel system of today's government educational administration. It has caused great uneasiness in teaching circles and its effects have been terrible on everyone in this field, especially here. Its ill effects upon education are beyond description. This "War of June and December" is no secret; I will describe it as I have undergone it.

Every year, at the close of each term, the "war" begins. It is a battle between aspirants to the post of headmaster. Many persons, although knowing little about education, and with ulterior motives in mind, usually political, join in the "war." This "war" also involves many of the other schoolmasters, who are afraid of losing their posts unless they support a successful candidate. The worst means are used by the contenders: bribery, blackmail, impeachment, and unfair use of political affiliation.

But the real victims of this "war" are the honest but poor teachers. Without the protection of the law, they are always in fear of losing their posts, of having their "rice bowl broken," because they are naturally often discharged by the new headmaster, under various pretexts, such as the "problem of thought."

Examples of this injustice are numerous and widely known here. I shall mention only last year's collective discharge of professors of the National Women's Normal College by their principal, and this year's similar case at the National Taiwan University. These are the biggest and most well-known cases; the many similar ones in primary and middle schools are too numerous to mention here. The discharged teachers are helpless, and although they have public sympathy, no one comes to their aid.

These cases are known to Mr. Wang Tse-ling, the Director of the Board of Education here; he could not deny them, but stated that he was powerless to do anything. This "war" has grown worse to such an extent that it is no longer a mere academic problem, but it is a serious social problem.

I here make an urgent appeal to the public and the authorities concerned, to correct these abuses and to set up a better educational plan for the New China. Otherwise, education in China is doomed.

WU MO-SHIN.

Tashinchiang, Chungking
September 7, 1948

Prisoner's Letter

To The Editor:

Forgive me for imposing upon your time, but I appeal to you to publish in your paper the following facts concerning my case. I shall be much obliged

to you, as I wish to call the attention of the higher authorities to my unjust conviction for crimes which I did not commit.

At the Central Station, I was charged with fraud, forgery, misrepresentation, assault and escape, without any definite proof or evidence against me. It has been a deliberate frame-up. Forgery: this was never proved against me, and cannot be, as the checks concerned in my case were never signed by me. The handwriting is not mine, and this can be proved. I did receive the checks from an American, a certain Mr. Mayer, as payment for goods I sold him; but, according to the bank that returned the checks, the signature was unknown. The forgery was his, not mine; and the checks were rubber checks.

Fraud: this charge cannot be pressed against me, as there was no intent to defraud on my side, which the complainants testified themselves in court. Mr. Ward wrote a letter to the judge, saying that after a careful and impartial consideration of all the facts, he concluded that the evidence against me was circumstantial. He never reported the matter to the police, but when he found that the bank did not honor the check I gave him, he informed me of it, and I went myself to his office and agreed to refund him the money I had received. I then went to report the matter to Mr. Coffin of the legal section of the American Consulate. He could not help me, as the man who had given me the checks had left town. Accompanied by my wife, I went on the same day, April 25, to report the case to the Central Station.

The second check I gave to a certain broker named Cheng, through introduction by one Freddy Lillianthai. The broker admitted in court that the money he gave me was only a loan, for which he took the check as security. I never defrauded him and I had no intention of doing so, as I gave him my real name and address.

Misrepresentation: whom did I misrepresent? Can Mr. Shaeffer or anyone else merely give an accusation to the police against some one, without also giving facts in evidence to support his accusation? Why did the police refuse to call Mr. Shaeffer to the station to prove his statement when I requested them to do so? Why didn't the police investigate this matter, but simply convict me? Why did Mr. Shaeffer never appear in court to testify and to prove his accusations? I am not guilty of such a charge, and it is clearly a case of the police needing some one to take the rap.

Assault: a deliberate frame-up! On August 25, three detectives appeared in court to testify against me. In replying to the judge's questions, they didn't say that any assault had been made, but that I had only tried. I informed the judge that I had been maltreated by them, I was pushed around and slapped. Although Mr. Freddy Lillianthai was present when I was beaten up, why didn't he appear in court to testify to this? Had he been intimidated by threats of future unpleasantness from the police?

Escape: how can a man, no matter how desperate, escape from a jeep, in the custody of four big and strong detectives, especially if he is handcuffed? Why should I escape? I went myself and reported the case to the police. I was not arrested, but went of my own free will when on April 28, at 8 o'clock in the evening, a detective came and asked me to go with him to the station for a talk.

Conclusion: The Government of China being democratic, I am giving you all the evidence and facts, in the belief that liberty of speech exists in this country. I want to call the attention to higher and more competent authorities to my case through your paper. I believe that after reinvestigation they will discover that it was a deliberate frame-up.

I was convicted by the first court to 3½ years in jail, for crimes that I did not commit, mainly because the judge did not have all the witnesses called.

I am appealing through your paper to help redress such a miscarriage of justice, which means a slow death not only to me but to my family. My wife is suffering great mental and physical distress, and my mother-in-law and my child are suffering and starving. Everything I had, everything that could be sold in the house, all went, and my family is in a most miserable situation.

On September 3, I tried to hang myself in my cell, but the rope was cut before it was too late. My wife and mother-in-law were called, and I was brought to my senses. I attempted suicide as a protest against the injustice of my case; and since that day, I have been on a hunger strike in the jail hospital, where I was taken. It is my only weapon against such injustice, and I will continue in it although I die of hunger.

Thanking you in advance for your kindness in publishing this letter, and for sending me a clipping, I remain, gratefully and respectfully yours,

JACQUES MATIATOS.

Shanghai
September 18, 1948

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Vol. III Shanghai, Saturday, October 2, 1948 No. 5

China In Asia

IN the light of the proposed "private" trip of General Chang Chun, former premier, to various Southeast Asia countries, supposedly for the purpose of investigating conditions and cementing relations between these countries and China, it is interesting to take stock of China's relations with the rest of Asia.

While it is perhaps unfair to speculate on the various possibilities of Chang Chun's trip, there are several suppositions which are worth discussing, especially since the Government has seen fit to shroud the trip in mystery. First, it is obvious that Chang Chun will attempt to cement relations between China and the various countries he visits. Second, it would also seem apparent that he may try to whip the Overseas Chinese in these areas into line, especially in such places as Malaya where perhaps a majority of the Chinese residents are somewhat anti-Kuomintang in their political views. Third, this trip may have some connection with his recent trip to Japan where he discussed various Sino-Japanese problems with Japanese and American officials.

In any event Chang Chun's junket must be aimed at increasing cooperation between China and Southeast Asian countries, whether it be between the homeland and the Overseas Chinese, between the natives of Asia, between the Governments concerned, or between all on a broad anti-Communist front.

Everyone, of course, will be interested in the success or lack of success which the former premier has. While he will undoubtedly be received courteously every place he goes, it seems to us that he has not too much chance of great success so long as the problem of Overseas Chinese-Native antagonism remains unsolved. As we have pointed out before, the conflict which exists between the Overseas Chinese and the Filipinos, Indo-Chinese, Siamese, Malays and Indonesians is a source of continued embarrassment to China whenever she begins thinking of establishing her position as the leading nation of Asia.

It is no secret that China in recent years has aspired to the same position in Asia which the Japanese so recently tried to attain by force of arms. It is only natural that the leading power of Asia should stand forth as the champion of the rest of the Far East, especially when so much of it is still under foreign domination. The Japs felt that they were destined to lead Asia and undertook to do so. However, Japan's program fell through when the natives of the other countries, including China, realized that the Japs talk of "Asia for the Asiatics" and the "Greater East Asia Co-Prosperity Sphere" were merely propaganda slogans easily mouthed by a bunch of narrow-minded little militarists whose real ambition was the creation of a gigantic slave empire. The complete bankruptcy of Japan's policy became apparent when the Western counterattack was launched and none of the "liberated" natives lifted a hand to defend their Japanese "friends."

China naturally would now like to lead Asia, not perhaps as a result of military conquest, but by virtue of her size and potential possibilities as the greatest nation in the Far East. Whether or not China can do this depends upon a few things. First, she must get her own house in order and in actuality become the leading power of Asia. This she may not be able to do for a while, but that is not so important since it is obvious that sooner or later this requirement will be achieved, either under this Government or another one. The deciding factor will be China's relations with the other peoples of the Pacific.

We think the attempt will be made peaceably on the basis of China's future position as the greatest nation in the Far East. However, until such time as the problems of the huge Chinese minorities in virtually all the countries of Southeast Asia are resolved, such attempts will meet with resistance by the natives. Millions of Chinese, mostly from Fukien and Kwangtung, have emigrated during the past years. These Chinese emigrants have in nearly all cases found themselves vastly superior in civilization, industry and physical strength to the other peoples of Asia. In Siam, for example, the Chinese have been pouring in for years in increasing numbers until now nearly one-third of the population of Siam is Chinese and no one knows the extent of Chinese influence through intermarriage. Suffice to say that few important Siamese today can claim not to have a Chinese cousin or to be part Chinese themselves. Because of their superiority in many fields, the Chinese have gradually assumed direction of Siam's commerce and what industry that exists.

This, plus the fact that the Overseas Chinese retain close connections with China to the extent of attempting to bring in wives from China and of remitting profits back home and also of frequently retiring to China at the close of successful and profitable lives in Siam has led to considerable ill feeling upon the part of the Siamese who view these "Chinese-Siamese" as temporary profiteers who exploit Siam and the Siamese people and drain off the profit to China. Retaliation in the form of discrimina-

tory acts or legislation frequently occurs. The net result is a constant state of bickering which occasionally flares up into violence.

In Malaya the situation is much the same except that the Chinese minority is now a majority, with the population consisting of about 50 percent Chinese with the rest Malays, Indians, and Europeans.

A similar situation has developed in Indonesia, the most recent results of which have been wholesale massacres of Chinese by Indonesian troops during the postwar fighting with the Dutch. In Indo-China the situation is not so serious, mainly because the Chinese minority is still relatively small, while in the Philippines tension after tension between the Filipinos and the Overseas Chinese are reported in the press.

As in all problems there are two sides. Briefly, the Chinese position is that they arrived in these various countries at a time when the natives were only slightly removed from the stone age and the present stage of development is largely the result of Chinese initiative and back-breaking labor which the natives were unable or unwilling to undertake. In Siam, for example, the Chinese point out that most of the heavy coolie work is done by Chinese because the Siamese cannot or will not do it. In Malaya the Chinese point out that the fact that the biggest mills and other industrial establishments, which are largely Chinese-owned, are monuments to Chinese brains and ability and would not be there if the Chinese hadn't come along.

The natives, on the other hand, claim that the undisputed position of the Chinese as the owners of the big mills and as the controllers of retail trade is because of the dishonesty of the Chinese who claim all the rights of citizens, but none of the responsibilities, such as paying taxes, etc. The natives allege that the Overseas Chinese want to eat their cake and have it, too. They say that while they are away from China, the Chinese claim all the rights of citizens and all sorts of privileges and protections as "guests" and that eventually they want to retire back to China with all the fruits of their years of exploitation.

This argument can rage indefinitely, with new points being continually added by each side. We certainly are in no position to render judgment and imagine that the situation is so involved and complicated that it would be difficult to "find" for either side. However, the important fact is that this antagonism exists and that because of it, the natives of the various countries of Southeast Asia are generally pretty anti-Chinese.

If China wishes to lead Asia, she must resolve this problem. Again we are in a position of not being able to supply the answer. The Chinese Government, it seems to us, is on the horns of a dilemma. As long as the economic competition exists, the antagonism between Overseas Chinese and natives will continue, and so long as this is the case the native states of Asia will view with extreme suspicion any attempt on the part of China to speak to the world for Asia. If China, desirous of placating the natives of Asia, declines to give support to its overseas minorities it will incur the displeasure of one of the wealthiest groups of Chinese. For years, Overseas remittances have been one of the main balancing factors in China's international trade. What's more, large sections of South China are continually impoverished and reduced to the starvation level when anything—such as the recent Pacific War—interferes with the flow of remittances from the rest of Asia. Any Government of China which repudiatd its sons abroad would have to reckon with serious discontent at home.

We have no answers for the present, but perhaps in the future a day will dawn when all of Asia is sufficiently industrialized so that the natives of Southeast Asian countries, as well as of China herself, will not be living on a bare subsistence level and economic competition will not be so potent a factor in racial relationships. Until such a solution is found, we can foresee nothing but continued difficulties, regardless of the number of private or official visits by prominent Chinese.

Mutually Misinformed---II

LAST week we discussed the question of mutual misunderstanding and misinformation which leads to so much confusion between Americans and Chinese. Our editorial was de-

"POLITICAL WAIFS"—A MID-WESTERN COMMENT ON CAMPAIGN STRATEGY

These two American cartoons offer some comment on the present Democratic-Republican contest for the November elections in the United States. Cartoon on the left shows the Democratic strategy as blaming the Republican party for the present state of high prices while the cartoon on the right reveals Republican strategy as saddling the Democratic party with the label of communism.

voted to interpreting—as we saw it—the present flurry of activity in Shanghai, pointing out some of the background leading up to the appointment of General Chiang Ching-kuo to the position of economic dictator of Shanghai. We also expressed some wonderment at the statements of shock and surprise emanating from the US.

This week we are continuing a discussion of the same subject. We are surprised at the amount of misinformation and lack of elementary knowledge which prompted a recent article in a Chinese magazine entitled "How The United States Is Developing Fukien (Province)." The writer of the article, it appears, has collected a lot of rumors, half-truths and complete absurdities to "prove" his contention that the US is hard at work to develop Fukien and thereby ruin the province and the people. Even the "plans" which call for undoubted economic improvement, the writer claims, are bad because they will upset the centuries' old style of life in Fukien.

The article, and the illogical reasoning that went into it, are actually hardly worthy of comment except for the fact that there is so much misinformation and misunderstanding already existent that anything added tends to increase the mutual suspicions between Chinese and Americans.

The article opens with the unqualified statement: "All resources in Fukien Province are falling into the hands of the United States." Several alleged but unverified events are then listed, such as a visit to the Kutienchi River of an American hydroelectric engineer employed by the National Government as adviser, a visit to the same spot by a group of Chinese and Americans allegedly representing an American firm which has decided to invest US$20,000,000 in building a dam and power generating project on the Kutienchi River. The visit of Chinese and American representatives of the same country to a forest area and a coal mining region was also viewed as evidence of a heinous American desire for Fukien's undeveloped wealth. Other pieces of evidence included a Nanking geological survey team's visit to two valleys in the province and an ECA mission inspection of the public health service in the towns of Foochow, Changchow and Amoy.

The article then says, "From the above we can see that not only mines and generating facilities but also forests, paper industries and other important resources are being transferred to the United States."

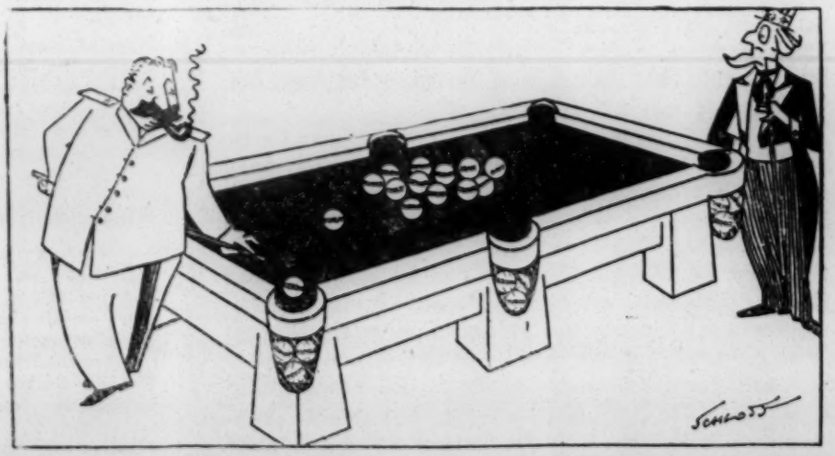
The proposed hydroelectric project on the Kutienchi River (a tributary of the Min River) is considered undesirable because when it is completed it will control the economy of 13 hsien. The economy of these districts will be impoverished and the people enslaved because the people owning the power plant will control the distribution of the fertilizer they will then be able to make with electric power. Further, it is thought, the paper and fishery industries can be controlled if the company builds electrically-run paper factories and builds cold storage facilities. Another complaint is that the erection of modern paper mills is to be avoided because it will put local people engaged in handicraft paper making out of work.

The first thing that is wrong with this article is that the several alleged "facts" do not exist. The American company referred to in the article has not earmarked US$20,000,000 for erecting a hydroelectric power project, nor the building of fertilizer or paper manufacturing plants. It should be clear to most people by now that no American company with money to invest is anxious to come to China under present conditions. The fact that there has been virtually no American investment in China in the three years since the end of the war should be sufficient to make most observers realize just how unattractive investment in this country is today.

The writer's reasoning that the builders of a hydroelectric plant per se would control the chemical fertilizer which *might* be made if manufacturing plants were built which could make use of the presumably cheap and abundant electric power is somewhat childish, especially since in this country such basic supplies as electricity are in all instances strictly controlled if not owned by the Government. It might also be pointed out that the State also reserves to itself the exploitation of most mining, forestry and petroleum resources and that any private participation in such fields is closely supervised. In fact it is so carefully watched, and frequently participated in to such an extent, that private business is reluctant to enter these fields.

The writer's claim that the building of modern industry is bad because it competes too successfully with handicraft industry is so primitive a viewpoint that it needs little comment. When the writer complains that modernization of Fukien's paper industry would cause unemployment to the present workers, he overlooks the fact that if the industry were mechanized, it would provide a great many more jobs than it does at present in that there is a large and apparently unlimited demand for high quality

"THE OLD MASTER"



Uncle Sam is shown here as falling behind in the number of billiard balls pocketed in his contest with Stalin over Europe.

Chinese paper of all types. The customs figures for paper imported from abroad will demonstrate this point sufficiently.

While we certainly have no sympathy with the many rank foreign exploiters who used to visit this country in prewar years, we think that the days of such activities are largely over. Certainly all Chinese writers and editors should be well aware of their own government's laws regulating foreign business activity in this country. Today it is very difficult for foreigners to operate business establishments in China. Proof of this fact can be seen in the constant exodus of foreigners who have sold their enterprises to Chinese buyers, plus the fact, mentioned in the foregoing, that very few new companies have been formed by foreigners since VJ Day.

We can well understand how many Chinese do not care much for their present government. We also think it has a lot of things wrong with it and stands in need of considerable improvement. However, writing articles based on rumor and gossip and appealing to their countrymen's nationalism by and emotion raising the spector of non-existent American monopolies designed to suck the profits out of China will not help and is certainly not fair. A lot of valid criticism may be levelled at the American Government because of its many short-sighted policies in Asia, but to allege that American business is rapidly poanning the enslavement of China is a poor charge. American private investment in China is getting smaller, not larger, and the main thing that exists today is interest. If and when conditions become stabilized in this country undoubtedly this interest will develop into actual desire for investment, providing of course, that the Chinese Government at that time is one which will welcome such investment. Granted these two prerequisites exist, the flood of investment might be so great as to cause some concern to China. However, such a situation does not exist today and may not for a great many years to come.

Relief For Refugees

ACCORDING to an announcement by the City Government, plans have been made to resettle some of Shanghai's war refugees on waste land provided by the Kiangsi Provincial Government. Each head of a family will be given 20 mow of land, a matshed house and farming implements, it was further stated.

Some 70,000 mow of waste land are to be reclaimed in this manner, which apparently means that approximately 35,000 families will be benefited. This should go a long way towards solving Shanghai's refugee problem, relieving the city of the burden of feeding and keeping these displaced persons and also giving the refugees a chance to make a living, even though it be on a subsistence level. What is needed now is some more information about the project and as to whether or not there is more waste land which can be put to similar use for the refugees in other nearby cities.

25 Years Ago In *The Weekly Review*

Foreign Capital Desired

September 29, 1923.

Chang Chien, the Nantung magnate, is distributing pamphlets in Chinese and English, in which he discusses the need for China to increase its production of raw cotton. At present, Chinese mills import 35 percent of the raw cotton consumed by them with the result they are dependent on foreign market prices, which, in years of shortage abroad, are ruinous. Though 96 percent of the cotton goods manufactured in China are consumed within the country, still China imports between 100 and 150 million taels of cotton goods annually. Moreover, the potential demand of the Chinese people for cotton goods has hardly been developed at all, due to the high price of foreign cotton and the unsatisfactory status of the Chinese cotton industry. China possesses every condition necessary to develop a cotton industry which will rival if not surpass that of America. It has the population to absorb vast quantities of goods, cheap and abundant labor, and plenty of suitable cotton growing land. The present step, as Chang Chien logically expounds, toward the realization of that goal is balancing the supply of raw cotton in China with the spindlage. He would like the help of foreign capital.

* * *

Newspaper Editor Arrested

Following the fate of the editor of the *Peking Press* who was arrested a few days ago by the Peking authorities on the offense that he styled the Parliamentarians "pigs," another newspaper editor was arrested this week precisely for the same offense. Ling Wai-li, editor of the *Peking Daily Society* has offended some of the M.P.'s, and was arrested by the Peking police.

10 Years Ago In *The China Weekly Review*

Capt. Carlson Resigns

October 1, 1938.

Capt. Evans F. Carlson, Assistant Naval Attache, who has been stationed in Hankow and the Northwest for several months, has resigned his commission and will devote himself to literary pursuits, according to a *United Press* report from Hankow. Rumors of a dispute between Capt. Carlson and the Navy Department over a recent interview which Capt. Carlson gave to newspaper correspondents following his return from the "red" territory in the Northwest could not be confirmed in US Naval circles at Shanghai. Capt. Carlson's trip into Shensi and Shansi was one of the most remarkable journeys of a military intelligence officer ever taken. He traveled some 800 miles afoot and 200 on horseback and crossed the Japanese lines several times. He not only visited the headquarters of the 8th Route Army at Yenan but passed through the Japanese lines and visited the headquarters of the famous Manchurian commander, Gen. Ma Chan-shan in northern Shansi.

* * *

Shanghai's Homeless Children

Many a Shanghai resident in the last few months has commented on the growing problem presented by homeless and parentless Chinese boys and girls who are roaming the city's streets, huddling in doorways at night—facing a gloomy situation as winter creeps on. Last Friday, Shanghai's radio listeners had the problem tossed into their laps by the *China Weekly Review* radio commentator who asked that some organization come forward and take charge of feeding, sheltering and perhaps, offer something in the way or rudimentary education for the waifs, estimated to number between 10,000 and 20,000.

CURRENCY REFORM IN KUNMING

Galahad Wood

(Special Correspondent, The China Weekly Review)

Kunming, September 6.

ON August 20, when our President played his "Trump Card," the currency reform, the news came as a great surprise to the people of this city. The long-heralded reform actually became a fact and the Gold Yuan notes were issued in order to set in order an economic situation which was fast deteriorating. The GY, it was also hoped, would be able to play an important role in bringing about a situation which would enable the Government to cope with the "Bandit-Suppression Policy."

It is usually a fact that commodity prices vary among the states or provinces in any country. It is quite rare, for example, to find the prices of food the same in every city and hamlet in the United States. Because of this elementary factor it is said that the Government erred in its currency reform price for gold and silver instead of establishing different prices for different localities. Generally, prices of commodities, especially the price of gold, in Kunming were cheaper than in Shanghai because of the high commercial remittance charges in Kunming. That is to say, if persons in Kunming remitted CNC$10,000,000 to their receivers in Shanghai before August 19 through a commercial bank or firm they paid them only CNC$5,000,000 or CNC$6,000,000 in Kunming.

Golden Opportunity

Thus, it appears as if the currency reform was a golden opportunity for the holders of gold and gold dealers in Kunming. By selling a tael of gold at the new official price of GY200 (CNC$600,000,000) they made a profit of CNC$250,000,000 when one recalls that the price on August 19 had been CNC$350,000,000. This truly was a golden dream come true for these lucky ones when they rubbed their eyes upon hearing the good news on August 20. They were most impatient for the opening of the banks on August 23, following the government imposed bank holiday.

On the morning of the 23rd, a long line appeared in front of the Central Bank waiting to sell gold. However, after the first day the people looked upon selling gold with great indifference for it had turned out to be a losing proposition since the Central Bank failed to stipulate a reasonable standard to judge the quality of the gold. Only the owner of the Yeong Chang-hsiang company, the richest merchant in this province and also chairman of the Yunnan Provincial Chamber of Commerce, sold a "gold brick" weighing 417 taels.

The people who arrived at the Central Bank first to cash in their gold immediately had their ardor cooled when it was discovered that according to the Bank standards, gold bars usually were found to possess some quantities of brass which diminished their value. Under this sort of setup, gold dealers and holders of gold were much happier selling their gold to the gold shops at the price of from GY180 to GY185 per tael.

$1,000,000 For $10,000

Rumors have no wings but nevertheless get about quite rapidly. On August 24, a rumor revealed that the red $10,000 CNC notes might be valued quite highly because the Central Bank was lacking in them. The money hungry immediately began to pay $600,000 to $1,000,000 in the process of snagging as many of these red $10,000 bills as they could get their itchy palms on. Everybody became crazy for these insignificant notes which, before the 19th, had been regarded as waste paper. On the 26th, the Provincial Government and the Kunming Central Bank denounced the rumor as false and went on to reveal to the people how to distinguish between the various new GY notes. The police arrested 76 "criminals" and put 18 of them in prison. The "storm in a teacup" was over.

* * *

In China, it is often true that those who are in power take advantage of their position and squeeze money by doing unlawful things against the best interests of our country. After the Kunming Central Bank, on August 24, declared that for the time being they would not collect silver dollars but rather that the former nine different kinds of CNC subsidiary coins (in copper, nickel and alloy of denominations of one, five, ten, twenty and fifty cents) could be used for GY subsidiary coins, a host of money grubbers began frantic forays about the city and nearby localities to collect them as cheaply as possible. A rather far-fetched story has it that one well-dressed citizen drove a jeep pulling a trailer full of these different CNC subsidiary coins totalling GY500,000,000 worth of the stuff and turned it into the Central Bank. If this was anywhere near the truth then it means that it was a sum equal to one-fourth of the total amount of GY2,000,000,000 issued!

By August 31, the Central Bank informed the citizenry that only nickel coins were to be used and not copper and alloyed coins. However, the Bank would only take in GY20 worth of coins per individual or organization a day. Thus, the shopkeepers refused to sell goods if their customers insisted on paying in coins. They claimed that they would receive hundreds or even thousands of GY worth of coins every day but could only turn in an amount worth GY20 each day. This was the reason why people in every walk of life crammed into the halls of the Central Bank to get rid of their coins every day.

During this entire period, on the heels of the newly stimulated commodity prices, essential commodities increased in price drastically despite the order that all prices must remain frozen at the August 19 level. The prices of cotton yarn and cloth, pork, edible oils, cigarettes and daily necessities also rose greatly. In this state of confusion, the authorities ordered that the black market be eliminated and those found guilty of such operations be executed. Therefore, dealers preferred to keep their goods rather than accept either GY or CNC.

Salaried Workers Suffer

Even though the city's commercial representatives talked with the mayor on August 27 and the Provincial Government granted an increase of 70 percent in prices compared to the 19th, the people still were unable to buy all the goods they needed. Faced with such a predicament, the civil servants and the teachers, some of whom have not yet received all of their July pay, became the scapegoats and suffered acutely. Those who served in public utility organizations failed to receive their newly adjusted August pay and many went hungry. The salaried people and the poor were forced to tighten their belts and, in answer to the question, "What shall we do?" many felt that the only thing left was to join Mr. Chu Chia-pi (see "Red Star Over Yunnan" in the July 31 issue of the *China Weekly Review*).

At the time this article was written, it was reported that back-room deals for gold saw quotations above the now official rate. Meanwhile, silver dollars and Yunnan-made 50 cent silver coins were going for good prices. All the official prices lagged behind the blackmarket prices. The interest rates were reported as GY5 to GY10 for GY1,000. The *lao pai hsing's* reaction to the currency reform is that the Gold Yuan is only "another shrunken edition" of the Customs Gold Unit. Whether the reform will be a success or a failure still remains to be seen.

BURMA: HER REBIRTH AND PRESENT ORDEAL

Lin Wo-chiang (林 我 將)

(This is the first of a series of two articles by Dr. Lin Wo-chiang dealing with some of the background and details of the problems confronting Burma today.—Editor).

Since the announcement of Independence and establishment of the Union of Burma on January 4, 1948, this country has enjoyed only a brief period of peace and unity. Dissension among party and political leaders on the external and internal policy of the Union Government, which appeared a few months after that historical event, assumed the proportion of open revolt and regional insurrections this summer. The new-born Burma is today beset with difficulties which would even shake the foundations of a well-established country.

The problems confronting Burma are manifold: Politically, there is the bellicose and insistent demand that the country be run according to the communist pattern; racially, several tribes which had become members of the Union are now on the warpath to achieve regional autonomy (as shown by the recent uprisings of the Karens, Mons and Arakanese); and, both politically and economically, Great Britain who has but recently given Burma her freedom, watches these happenings with the greatest anxieties and may not be adverse to taking steps to guard her interests there.

Reward For War Service

Looking back, both the British and the Burmese had never really taken into serious consideration the possibility of the establishment of an independent Burma outside the British Empire, before, during and after the last war. As a reward for war service rendered by the Burmese and a change of the British colonial policy towards the end of the war, the British Government produced a blueprint for Burma in May 1945, declaring that it was the British policy to assist Burma in establishing a responsible self-government within the Commonwealth and consequently "attaining a status equal to that of the Dominion and of this country." But, that in the meantime the administration would be in the hands of military authorities. And until normal conditions were sufficiently restored for a general election to be held and a constitution drafted to establish a Burmese Government, a British Governor directly responsible to the British Government would rule.

On the minority question the blueprint declared that the different States and the tribal areas would be "subject to a special regime under the Governor until such time as their inhabitants signify their desire for some suitable form of amalgamation of their territories with Burma proper." This point is particularly significant in the light of the recent uprisings among the minority races.

The people of Burma would have been satisfied with a dominion status within the British Empire had the war not brought about many fundamental changes to Burma and the outlook of her people. The awe and respect which the Burmese once had for the British vanished with the war. What U Kyaw Min says (in "The Burma We Love," 1945) may be taken as a typical view of the average intelligent Burmese on the constitutional issue of Burma towards the end of the war:

> "It will be necessary for Burma to remain within the British Empire after the attainment of Dominion Status; on this all thinking Burmans are agreed and there can be no change in this outlook till the world obtains a greater sense of security for the smaller nations."

Dr. Lin Wo-chiang, long a Contributing Editor of the *Review*, has been a student of Asiatic problems for many years. He recently visited Burma on his way back to China from the ECAFE conference in India. Dr. Lin was once a professor at Rangoon University and is personally acquainted with many of the present Burmese leaders.

Britain lost her prestige during the war largely because of the complete withdrawal of British forces from Burma early in the summer of 1942, when lower Burma was occupied by the Japanese. One Burmese evacuee complained: "These British left us in the lurch and ran away. We have lost everything and we have not even decent clothes to put on." However, the Governor, Sir Reginald Dorman-Smith, had signified his intention to stay in Burma and defy Japanese aggression until he received instructions from Mr. Churchill, saying: "No point in your remaining in Burma. You should leave at once. This is an order."

The reason for the British evacuation from Burma was explained later by the Governor. He admitted that the real cause of the misfortune of Burma was lack of men, equipment, and planes. As a matter of fact, the fate of Burma was sealed when the flow of reinforcements dried up and when the British lost control of the sea and the air. An impartial Indian observer justified the British evacuation, saying:

> "The Japanese had an intense hatred for the white men and maltreated them in the most cruel manner. The Burmans and the Indians were treated as friends by the Japanese at least during the period of invasion, as they wanted their help for the successful prosecution of the war. In these circumstances, it would have been sheer indiscretion for the white men to stay on in Burma, and by withdrawing from Burma, the British did the wisest thing."

Nevertheless, in the eyes of the Burmese the mere fact that the British were not prepared and were not strong enough to resist to the end was sufficient to bring former British prowess down to the ground. This fact the British learned on returning to Burma at the end of the war. Furthermore, clever Japanese propaganda had almost completely underminded the Burmese political, social and economic structure (such as giving sham independence to Burma) that there was precious little left for the British to reconstruct.

Parties Grew During War

A number of political parties, e.g., the Thakin Party and the Youth League, existed before the war. The number grew with the progress of the war. The Anti-Fascist Organization (A.F.O.) and the Patriotic Burmese Forces (P.B.F.) were two groups or parties formed during the war years. The latter was under the leadership of U Aung San. General Aung San was the Commander-in-Chief of the P.B.F., which resisted Japan and helped the British forces to regain Burma.

When the war ended, General Aung San declared that the P.B.F. would still continue to serve the country in any capacity. Leaders of the other parties and groups also agreed with him on a plan to form a "United National Front," to be known as the Anti-Fascist People's Freedom League (the A.F.P.F.L.) to which General Aung San invited "all patriots and patriotic political parties" to join. The political aspirations of the A.F.P.F.L. is significantly expressed in its Manifesto, which declared that:

> "The final objective of the League, as it has been hitherto, is the attainment of the right of self-determination for Burma which desires to determine her own constitution by means of a Constituent Assembly based on universal adult suffrage."

In its inclusiveness the League embraced the powerful People's Volunteer Organization (P.V.O.) and

even the Communist Party. It was clear that up to that point the Burmese sincerely believed that for the rehabilitation of their country and the struggle for freedom they needed strength and that could only be found in unity.

It was the impact against this determined and expansive political foundation that the British came to grief in their attempt to reinstate themselves in Burma in the fall of 1945. It is true that the British came with a "Statement of Policy," incorporating the essentials of the Blueprint for Burma mentioned above. But, as the Burmese saw it then, it did not go far and quick enough to satisfy their desire for immediate freedom. The British Governor who returned to Burma from his refuge in India, naively and complacently told the Burmese leaders: "The fight for the freedom of Burma is over", without realizing that it was only about to begin.

In October 1945, Rangoon, the capital of Burma, seethed with unrest and strikes. Everything came to a standstill. The railways and postal services stopped, the factories stopped, even the police and Government Service Union joined the strikes. Burma was in a fighting mood and the situation was beyond the control of the Government. It was then that the British Government saw that a radical change in the Burma policy was necessary and a new man was sent out from England to handle the situation.

British Concede

The new Governor, Major-General Sir Hubert Rance, who knew General Aung San, on arrival invited the latter to discuss ways and means to break the deadlock. Aung San and his colleagues were invited to join the Executive Council (which functioned as a cabinet in those days). The tension eased. Following that, official recognition of the aspirations of the masses in Burma was conceded by the British Parliament. Clement Attlee, the British Prime Minister, announced in the House of Commons on December 20, 1946, the intention of the British Government to invite a Burmese Delegation to London to negotiate with the British Cabinet for a transfer of power to Burma.

The Burmese Delegation, led by General Aung San, arrived in London on January 9, 1947, and on January 27, the Aung San-Attlee Agreement was signed. This agreement laid down the principles and prescribed the methods, by which the people of Burma might achieve their independence either within or without the Commonwealth in the course of a year. Briefly it provided:

(1) That a Constituent Assembly be elected as soon as possible to decide on the future Constitution of the country; (2) during the transitional period the Government of Burma will be carried on under the special power of section 193 of the Act of 1935; (3) during the interim period there will be a Legislative Council as provided by the same Act; and (4) that the Executive Council of the Governor will constitute the Interim Government of Burma.

The election to the Constituent Assembly took place on April 7, 1947. The First Session of the Assembly commenced on June 9, with all the elected members, except the representatives from the Karenni State, present. On June 16, General Aung San introduced a resolution consisting of seven points, on which as he explained, the Constitution that was to be drafted was to be based. The Aung San Resolution was wholeheartedly received by all quarters, including the members of the Frontier Areas and the Communist Party. The Constitution, which was later drafted by a Constitutional Committee of 75 members, runs to 234 articles. Since this resolution was accepted as a "directive" for the Constitution, a summary of these essential points would give one some idea of the Constitution in force now:—

1. The Constitution shall be that of an Independent Sovereign Republic to be known as "The

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Union of Burma."

2. The Union shall comprise such units as shall be specified by the Constitution and the units so specified shall exercise such autonomy as shall be defined in the Constitution.

3. All powers and authority of the Sovereign Independent Republic of Burma, its Constituent Parts and Organs of Government shall be derived from the people.

4. The Constitution shall guarantee and secure to all the peoples of the Union justice, social, economic and political; equality of status, of opportunity, and before the law freedom of thought, expression, belief, worship, vocation, association and public morality.

5. The Constitution shall provide adequate safeguards for minorities.

6. The integrity of the territory of the Independent Sovereign Republic of Burma and its Sovereign rights on land, sea and air shall be maintained according to justice and international law.

7. This historical land of Burma shall attain its rightful and honored place in the world, make its full and willing contribution to the advancement and welfare of mankind and affirm its devotion to the ideal of peace and friendly co-operation amongst nations founded on International justice and morality.

The repeated appearance of the words "sovereign" and "sovereignty" in the resolution (as in the Constitution later) reminds one of the political writings of the 18th Century and the early 19th Century. But on the whole, it is perfectly up-to-date and progressive, as shown in its eagerness to safeguard the fundamental rights of the people, the interests of the minorities of Burma and the emphasis on international cooperation. It must be pointed out here, also, that credit must be given to these Burmese leaders, particularly to General Aung San, for the statesman-like gesture towards the minority racial groups, whose wholehearted support came to be one of the greatest achievements in the formation of the Union of Burma, which embraces five other races besides the Burmese.

National Calamity

But a great national calamity fell on Burma soon after the acceptance of this resolution and during the recess of the Constituent Assembly. General Aung San and some of his colleagues were brutally assassinated on July 19, while holding an executive meeting in the Government Secretariat. It was a terrific shock to the whole country and for a time it was believed that the country would be in turmoil. However, Thakin Nu, the present Premier, a trusted comrade of General Aung San, stepped in to take over the leadership. He was asked by the Governor to form an executive council. He has been in the limelight on the political stage of Burma ever since.

Who is Thakin Nu, the man who is now steering the Ship of State through the turbulent waters of Burma? From what I gathered during conversations in Rangoon two months ago, I understand that this new Burmese leader has enjoyed considerable public confidence since his assumption of office as Premier of the Burmese Cabinet and the election to the presidency of the A.F.P.F.L. over a year ago. It was recalled that as a student at Rangoon University, he participated actively in the students' movements and was one of the student leaders in the general strike of 1937. After leaving college he joined the Thakin Party and ran a political paper called *The Red Dragon Journal*, advocating national self-determination.

Knowing what he has done, we may just as well find out something about his political thinking. It was said that Thakin Nu showed great admiration for Mao Tse-tung during his visit to Chungking with the Burmese Mission. It is generally believed that he is inclined to the Left, and this is confirmed by his public utterances on several occasions.

To those who asked: "Whither Burma?" the following quotations from his speech in the Constituent Assembly, September 24, 1947, may be instructive. Commenting on the Drafted Constitution and moving for its adoption by the Assembly he said:

> "....A Draft Constitution is in the nature of a foundation of a building whether it would be oblong, circular or square in shape, so also an examination of a Draft Constitution will enable us to find out what its nature would be, whether it would be Leftist, Rightist, Center or whether it would be retrogressive. It will be necessary for me therefore to explain what Burma, built on this foundation, will be. I might say, at once, that it will be Leftist...."

Answering his own question, why Burma had not sought to remain in the Center, nor tend towards the Right, he explained:

> "....Burma is a rich country but are the Burmese a wealthy people? They are not. The wealth of Burma has been enjoyed firstly by the big British capitalists, next the Indian capitalists, and next the Chinese capitalists. Burmese are at the bottom, in poverty....All along....the Burmese had to bow to this state of affairs. You see, they had not the political power to put an immediate end to that state of affairs. The moment we have the power, we will have to do away with this unfair, one-sided economic system...."

However, Thakin Nu was statesman-like enough to advise his people to go slow and not rush matters. "But, Sir, there are people who would plant a mango tree today and expect to eat the fruit tomorrow," he said. It is this good horse sense, perhaps, which still keeps him in the saddle. But he very nearly got stung three months ago, when he stirred the hornet's nest; last June he presented a 15-point program before a party convention, advocating cultivation of a closer relationship with Soviet Russia and not relying too much on the Anglo-American countries, or something to that effect.

Endanger British Interests

British reaction to this shift of policy was very strong, and warnings of danger to British interests in Burma (which according to British calculation involves an investment of well over £100,000,000) came so thick and fast that it was necessary for Burma to send her Foreign Minister U Tin Tut to England in July to explain things (U Tin Tut was assassinated in Rangoon on September 18, and died of wounds a couple of days later). Thakin Nu's mid-summer statement might be oniy a gesture to appease the Burmese communists in the tempestuous uprisings.

But ever since then the Communist revolt has grown bigger and bigger until it spread to the suburbs of Rangoon a few weeks ago and it was necessary to declare that a state of emergency existed in the Capital. Thakin Nu as Prime Minister (he was asked by the Burmese Parliament to continue in office, when it re-opened at the beginning of September) has a tough job before him. For, Saw Shwe Taik, the incumbent President of the Union of Burma, coming from the Frontier Areas, was made President more for the sake of holding the frontier tribes together than for his statesmanship.

Peace in Burma is not even within sight; and it will require from Thakin Nu, the man of the hour, the utmost courage, sagacity and statesmanship before he can muster the strength to pacify Burma's internal upheaval and deal with foreign countries.

WHO LAUGHS LAST?

"The mouse trap."

This cartoon shows the present state of affairs in Germany, where the wartime allies have been trapped and America, England and France are fighting against Russia while the witch of Nazism watches with enthusiasm.

SOUTH KOREA'S NEW PREMIER

Hugh Deane

(Special Correspondent, The China Weekly Review)

Tokyo (By Air Mail).

JAPAN'S defeat appears to have reattached the Korean peninsula to the continent. In many ways the situation in Korea today is a small version of that in China.

The regime which has been established in the Soviet zone north of the 38th parallel is dominated by the North Korea Labor Party, which is a Communist party. Many of the leaders of this regime were trained in the armies and political schools of the Chinese Communists. It owes a considerable ideological debt to Mao Tse-tung, with whose followers it shares the frontiers of the Yalu River.

North Korean Reforms

In North Korea, a land redistribution calculated to win the support of poor and middle-class peasants has been carried out, despite the difficulties imposed by the fact that North Korea is not self-sufficient in foodstuffs. A complex of reforms intended to destroy feudalism have been put into effect; mass organizations based in the local communities have been created.

Strenuous efforts are being made to rehabilitate and develop industry, which was effectively sabotaged by the defeated Japanese in August 1945, and which since then has been handicapped by the artificial barrier of the 38th parallel.

No organized political opposition to basic policy is permitted in North Korea, while criticism of execution of policy appears to be encouraged.

Those classes of Koreans which had a stake in the status quo have been largely reduced to impotency. Well over a million persons, members of property-owning families, and those suffering from the food shortage or disaffected for political reasons, have fled south of the parallel.

The government established in South Korea on August 15 strongly resembles the Chinese National Government. Like the Kuomintang, its existence is threatened by revolution. It has the same attitude toward the agrarian problem, labor unions and civil liberties. Its economic tendencies and difficulties are remarkably similar. It relies upon the same classes for support and it uses many of the same methods to keep itself in power. Like Nanking, it has an essential and long-term need for American aid.

The similarity between the Kuomintang and South Korean regimes is due primarily to the common characteristics of the two societies rather than to calculated policy on the part of the South Korean leaders and their American advisors. It is symbolized, however, in the person of General Li Bum Suk, first premier of the South Korean government.

According to the semi-official biography distributed by Korean National Youth Headquarters in Seoul, Li went to China in 1915 and took a four-year course at a cavalry school.

"His efforts were amply rewarded in October 1920 when he made the Manchurian plain a pool of blood from 6,000 of the enemy's troops," the biography relates. "The campaign was not a miracle but the inevitable consequence of General Li's ingenious resources, his constant exertions, immortal loyalty, indignation and the combined struggle of his subordinates and pupils."

Later, hard-pressed by the Japanese, his force retreated into Russia but soon recrossed the border into China when the Russians attempted to disarm it.

In China, Li "organized a Korean Revolutionary Death Band and put to death the enemy spies and betrayers. It is said at that time even small boys hardly kept back their tears when they heard the name of 'Chul Gi,' the general's pseudonym."

Death To The Enemy

In 1931, after the Japanese invasion of Manchuria, Li made a trip to Europe and "studied the historical facts of each country's revolutionary movements." Presumably, he saw something of the Nazi rise to power. In 1933, he returned to the Chinese army.

In 1937, after the Japanese invasion, he became chief of staff of the 55th Army. "He participated in the famous battle of Taierchwang and rendered meritorious service, slashing through the enemy from right to left. It was then that the Chinese military authorities began to think a lot of General Li Bum Suk."

Later, Li has told correspondents, he became part of the vast intelligence network operated by the late Tai Li; his biography does not mention this phase of his career. He also worked for a time with the San Min Chu I Youth Corps, acquiring valuable experience in youth organization.

In the fall of 1941, Li helped to form the Korean Restoration Army (Kwanbok Army), becoming chief of staff to General Li Chung Chun. (The latter, back in South Korea, now heads the large ultrarightist Dai Dong Youth Corps, a rival of the Korean National Youth). He was soon transferred to Sian as commander of the Second Detachment of the Kwanbok Army, whence "he dispatched many members of the Chinese Army to the First, Second, Fifth and Eighth War Areas for underground movements of destruction and to plot against the enemy in North China."

Indicative of Li's political consciousness is the fact that at this time he regarded as enemies not only the Japanese, but also the Communists and the Koreans fighting together against the Japanese. Indeed, Li's efforts appear to have been directed more against the latter than the former.

When the Japanese surrendered in August, 1945, Li was planning landings on the Korean peninsula, his biography reports. His plans no longer needed, "General Li Bum Suk, an unappreciated genius, planned the demobilization and repatriation of the Korean patriots. Finally, as a refugee, he returned to his motherland with his followers and landed at Inchon, where he had planned a scene of bloodshed had the Japanese not surrendered."

Two years ago, with financial subsidies and equipment from the American Military Government, he organized the Korean National Youth, a blue-uniformed, semi-military organization which has grown rapidly to a membership of over 900,000.

The power which he possessed as a result of his leadership of this youth corps was undoubtedly the principal factor in his selection as premier after President Syngman Rhee decided to ignore the claims to that position of Kim Seung Soo, the wealthy landowner, industrialist and educator who heads the Hankook Democratic Party.

Statements made by Li and some of his subordinates to the press in the past have caused him and the Korean National Youth considerable embarrassment, and now the General tends to talk cautiously for publication. I talked to him in June at the Korean National Youth leadership training school in Suwon, a decayed feudal town with a crumbling wall a few miles south of Seoul. We stood in front of the headquarters building overlooking the parade ground.

Leftists Verboten

The difference between the San Min Chu I Youth Corps and the Korean National Youth, Li explained, was that the former had been an organ of the Kuomintang, whereas Korean National Youth was attached to no party and was simply patriotic. Since Communists in no case could be considered patriots, he added, every effort was made to exclude youths with leftist leanings.

Every applicant was carefully screened and had to be vouched for by three sponsors. Korean youth was so backward, he said, that it required direction and guidance. Hence, the necessity for Korean National Youth. Members were free to discuss political questions, he said, provided that they did not express leftist ideas.

Korean National Youth has been given no arms but has received a certain amount of basic military training. In June 1947, Li told correspondents, "Our membership could easily be transferred to an army if necessary. Our boys have the right attitude. They can step into any breach."

To me he said simply, "We will do whatever the government wants."

INCREASE THE FLOW OF SUPPLIES

J. R. Kaim

THE chief target of the Government's fight for economic improvements has been the black market of Shanghai. Simultaneously, the Government has done much to keep commodity prices at their August 19 level and to force hoarders to sell their stocks. However, as a matter of course the Government knows that important as those two goals may be, one cannot, even by reaching them, solve the country's vital economic problems, even were the fight not intended for Shanghai and a few other ports only.

Also in Shanghai, the Government did not and probably could not adhere to its price-fixing order. While it ordered the gasoline price to be increased not only for passenger cars but also for trucks, it permitted other price increases when the enterprises concerned could prove that they had not advanced their prices on August 15, i.e. according to the last C.O.L. Index. Advertisement prices of those Chinese newspapers, for instance, which had not changed their rates on August 15 were permitted to be increased in September. No doubt, there was good reason to do so, but the fact remains that the budget of the gasoline user and the budget of the advertiser—to stick to those two examples—had to be changed compared with August 19.

Food Prices Advance

Prices of certain foodstuffs in Shanghai also have advanced since August 19, with some wholesalers explaining that in spite of their good will they cannot, without suffering losses, sell at August 19 prices. However, more important perhaps is the news from the interior provinces that prices there have gone up above Shanghai quotations and that allegedly in some cases they have done so to such an extent that shipping to Shanghai is practically impossible.

While most of the people who were arrested, jailed or shot recently, have been punished for something they did some time ago, it is obvious that in itself the punishment does not solve any of the economic problems. In Shanghai, blackmarketeers are frightened. Outside of Shanghai apparently they are less frightened. However, most of the people engaged in some sort of blackmarket activities will be in no position to carry on if Shanghai has no place in their scheme, and this might bring blackmarket activities almost to a standstill in other parts of the country also.

It is an open secret, however, that much of the foreign exchange dealt with on the blackmarket was used not for sending money out and keeping it abroad but for remitting it to other places for clandestine imports. It is no less an open secret that a good portion of what was bought and sold in Shanghai originated from such clandestine imports which are now out of the picture. In other words, apart from the recent official cuts in imports, the total import cargo at the disposal of local business has decreased by the non-existence of clandestine shipments or the supply in many lines has decreased far more than can be under-

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stood from official figure.

Supplies Decrease

If one takes for granted that supply and demand regulate prices even in a supervised economy, the fact that the supply has decreased far more than is shown in official figures proves that the price basis is going to be endangered if supplies are not increased. Actually everyone who wants the Government to win its battle and wishes to see the new currency keep its value is bound to hope that the Government will alter its supply policy. None of the clandestine cargoes were gifts. They were well paid for and they were imported because they could find a ready market. This simple fact shows that the money was available and that the demand was sure. The money, i.e. the foreign exchange, one should think, is still available, the difference being that most of it has been sold to the State. If the State would use it for increasing the supply of imported basic materials of all kinds, such a decision might help more in keeping the currency at its present level and in keeping prices down than the most careful regulations.

While the Government may not have many chances to increase the supply of domestic products in the very near future, it has a possibility of increasing the supply in imported products and to replace the cargoes which versatile merchants used to buy through smugglers.

In Shanghai, the economic police have found heaps of hidden goods and have forced their holders to start selling. What is still hidden in other cities, we do not know, but it is a fact that in Shanghai some products became scarce on the market shortly after the fixing of prices at the August 19 levels. No doubt quite a few people disliked selling their stocks because, like all hoarders, they hoped for better prices. There may be many, however, who simply doubt they will be able to obtain new stocks—for their stocks, or much of them, probably were not imported legally. They certainly would hurry to bring their goods to light once new cargoes are known to be on their way to China and they would try to get rid of their holdings.

At present, with the money market easy and the Government holding amounts in foreign exchange which it could not hope for two months ago, the means are available to start an *economic* fight in favor of the new currency. The basis of the economic battle is the increase in supplies and if this is considered a truth, it is evident that the Government should use all the means available in order to supply as many goods, domestic as well as imported ones, and should use all means of transportation, no matter whether Chinese or foreign.

The question of supplies may soon prove the fundamental problem upon the solution of which will depend the fight against profiteers and racketeers, against high prices and against scarcities in consumer goods.

The Week's Business

DURING the week ending Wednesday, September 29, business in Shanghai was featured by the reluctance of many merchants to sell, at fixed prices, more than was necessary to "save face" and to obtain the cash needed for carrying on. Furthermore, the well-remembered long lines of people waiting outside those stores where allocated goods are obtainable have reappeared on the scene. Those lines have not been seen for many years. Their reappearance certainly indicates that Shanghai at present lives in a state of economic emergency.

Businessmen revealed that during the week under review, several domestic products were hardly available for export and, in several lines, were not obtainable at all. Silk piece goods were reported to be one of those products which holders apparently were reluctant to sell at fixed prices.

Considering the rumor that the turnover in general has realized considerable declines, the amount in checks cleared by the Shanghai Clearing House during the week ending September 25, Saturday, was quite remarkable. It totalled GY548,726,696.07, while dishonored checks which amounted to 7,071 in number represented a face value of GY2,698,803.36. This amount, too, cannot be regarded as negligible.

The question of Government shares, i.e. shares of Government operated companies continued to be discussed during the week under review. It was rumored that last week the Government negotiated with the local Stock Exchange concerning the marketing of shares worth GY500,000,000. According to unconfirmed reports, the board of the Stock Exchange failed to favor the Government's suggestion and explained that to carry out the plan on a business-like basis one should sell shares with not more than GY 100,000,000 and even this should not be done at once, but within at least three months.

It was also reported that with a view to reducing the Central Government's financial burden, provincial governments will be permitted to issue bonds in order to balance their budgets without direct aid from the Central Government.

Meanwhile, the export business was reported to have been hindered in some lines but to have been comparatively satisfactory in others. As mentioned above, silk piece goods were hardly available at fixed prices. Exports in laces and embroideries, too, were somewhat difficult, while among other manufactured goods, vacuum flasks were offered at what was considered normal prices. Exports of raw materials through the Central Trust were said to be considerable and satisfactory.

Exporters of hats reported they had various difficulties. However, in spite of the handicaps they were in a position to ship to America and Africa and to send out new offers to European buyers. They insisted, however, that prices charged by dealers and wholesalers in the interior were above the August 19 level.

In Shanghai, prices of most consumer goods were almost unchanged during the week under review, providing one could obtain the wanted goods at all. An *Associated Press* report from Peiping, however stated that retail prices in that northern metropolis continued to increase. Dated September 28, the report claimed that many goods are sold at prices 100 percent to 300 percent above the August 19 quotations. The report, furthermore, claimed that while a number of arrests have been made since the new economic measures were proclaimed, only small fry have been caught. It also claimed that Red agents are paying 10 percent to 20 percent more for US dollars than is officially permitted and that they are doing so with a view to undermining the new legal tender.

Reports claiming that prices have increased above their August 19 levels also arrived from some provincial capitals as well as from smaller cities in the interior. In this respect, local merchants claimed that certain products could not be shipped to Shanghai, the reason being that their buying prices in the interior occasionally are higher than the officially fixed prices in Shanghai, to say nothing of the overhead expenses connected with the shipping to Shanghai.

In this respect, a report circulating in business quarters is worthwhile mentioning, namely, that cocoon prices have advanced in Chekiang as well as Kiangsu provinces. This must lead to considerable price increases in silk yarn and woven goods, it was pointed out and added that under such conditions manufacturers fail to see any possibility of adhering to August prices.

Also during the week under review, the Ministry of Finance stated that all efforts will be made in order to stop the smuggling of GY notes to Hongkong and other ports outside of Chinese jurisdiction. Money was smuggled out, it was explained, in order to buy gold (and keep it in Hongkong or Macao). Travelers now are not permitted to carry more than GY20 on their trip to Hongkong.

Quotations

	Sept. 22 GY	Sept. 27 GY
Wheat Flour	7.61	—
White Rice, first	21.00	20.90
Peanut Oil	—	—
Raw Silk "C"	1,450.00	1,580.00
Jap. Rayon	1,133.00	1,133.30
Cot. Yn. (42)	1,015.00	1,033.00
Koo Pun Soap	26.30	25.80

NEWS OF THE WEEK

Tsinan Falls Before Red Offensive; War Talk In Europe Continuing

AFTER 10-days' bloody fighting, Tsinan, capital of Shantung Province, fell into Communist hands on September 24. The whereabouts of General Wang Yao-wu, Governor of Shantung and concurrently garrison commander in Tsinan, was uknown. During the past several days, he was reported without confirmation as having been captured by the Communists or as having committed suicide. It was understood that radio contact between Wang and the Nanking headquarters broke off on September 24. Another report said Wang had slipped out of the Communist net and is directing operations at an undisclosed command post. It is presumed that Wang might deliberately keep radio silence to prevent the Communists from locating his whereabouts.

President Chiang voiced his regret at the fall of Tsinan, but declared that it is not expected to affect the Government's over-all military situation.

* * *

Defection

National Defense Minister Ho Ying-chin explained that Government reinforcements were being rushed to Tsinan while fighting was in progress, but transport difficulties prevented them from reaching the battle area in time to tip the scales in the Government's favor. But well-informed military observers stressed that the defection of the 84th Division proved the fatal blow to the defense of Tsinan. *UP* pointed out: "The Chinese Nationalists, smarting under the impact of their severe defeat in Tsinan, today awakened to a new danger to their military front—defections and fifth columnists. This new danger, which competent observers feared might be fatal if not effectively checked, made its first appearance last year, but the full extent of its seriousness was not realized until the Tsinan debacle.

"A review of the past year's civil war record shows that the Nationalists lost the most important battles through either defections in their own ranks or the activity of Communist Fifth Columnists planted in the rear," the story continued. "Beginning from the spring of 1947, the loss of a strategic area south of Mukden was directly caused by the defection of one Yunnanese army. Communist capture of the important supply port of Yingkow also was made possible by the revolt of one Nationalist division. During the big battle of Taiyuan, Shansi, two months ago, an attempted rebellion by one army was averted by Nationalist Commander Yen Hsi-shan's quick action in arresting and executing the army commander. But the consequent vacillation permitted the Communists to advance to within sight of Taiyuan's walls.

"The rapid Communist success against the strongly defended Shantung provincial capital is now known to have been due primarily to the defection of the 84th Division under Wu Hua-wen and one peace preservation corps totalling 20,000 men. The defection of the 84th Division sealed the fate of Tsinan, since it was assigned to defend the Tsinan airfield and the business district, which are key points in the city's defense system."

In order to prevent the Reds from strengthen their position in Tsinan, the Nanking "*Evening News*" in a dispatch from Hsuchow revealed that more than 100 government warplanes were busily engaged in bombing Tsinan. *AP* made the comment that if this report is true it is feared in Nanking that civilian casualties will be extremely heavy since a refugee-swollen population of more than 4,000,000 people is crowded into the Shantung capital. A Government military spokesman, however, said he had no knowledge of the bombing of Tsinan by Nationalist warplanes.

Now that the Reds have captured Tsinan, what are they going to do for the next move? This question is both puzzling and interesting.

* * *

Long Way To Go

ONE foreign source in Nanking told the *United Press:*

"It is too early right now to predict accurately what the Communists will do, or what the Government can do. But whatever course the Communists follow should be the tip-off on how they themselves evaluate their own position. If they continue military pressure alone, then it will be considered they do not feel the situation is too secure. If they slack off on military operations and devote more attention to political organization, that ought to indicate the Communists consider themselves fairly well entrenched in Central China. If they seek to consolidate their geographical gains in Central China with what they hold in North China it ought to be pretty clear what they are up to."

Another source, however, told the *United Press* that a study of the maps of North China and Manchuria should indicate that the Chinese Communists are still a long way from the point where they can consolidate their positions in Central China, North China and Manchuria. As long as Peiping, Tientsin, Tsingtao and Taiyuan within China Proper are still in Government hands, and Changchun, Mukden and Chinchow in Manchuria exist as Nationalist outposts, the Communists will have to continue to accent military operations.

Some observers concede that with the capture of Tsinan, the Communists are in a strategic position, from the military standpoint, of being able to strike, north, south or west.

* * *

US Said Concerned

WHEN violent fighting was going on around Tsinan, Chinese reports claimed that both American Army and Navy authorities in China were gravely concerned over the fate of Tsinan, since it was considered a logical speculation that the Reds, after taking Tsinan, would try to sweep across the Shantung Peninsula and seek to gain possession of Tsingtao—where the headquarters of Vice-Admiral Oscar C. Badger's West Pacific Naval Forces is located. It was further rumored that after making a hurried visit to Tsinan and Tsingtao, National Defense Minister General Ho Ying-chin and AAG Commander Maj.-Gen. David G. Barr had made arrangements to equip and arm four Nationalist divisions in Tsingtao with surplus supplies and to organize them into a rescue column which would have to blast its way across the 200 miles of Shantung Peninsula to the aid of beleaguered Tsinan.

This rumor, however, was denied by the American Embassy, the Chinese Ministry of National Defense and General Barr. The spokesman of the ministry said "there is no truth in that report." The embassy spokesman said General Barr detoured to avoid flying over the embattled city "for obvious reasons."

Admiral Badger told *AP* the US Navy is not "concerned" over its situation in Tsingtao, if "concerned" means "scared." But on the other hand, he said, if the word means "watching the situation closely" then the Navy is "watching and always ready for an emergency."

In Washington, Navy spokesmen announced that naval task force 38, operating with two carriers and supporting warships will sail October 1 on a "regularly scheduled routine cruise," visiting the "usual ports" of Yokosuka and Tsingtao. It is understood that the task force presumably will be at sea or in Far East ports for three or four months. It was stressed that the task force is not sailing because of any emergency.

* * *

Showdown In Europe

AFTER long-drawn-out but fruitless talks between the East and the West, the West finally decided to break off negotiations with Mos-

cow and appeal to the United Nations Security Council on the Berlin crisis. A Big Three communique said: "Accordingly, the three governments are transmitting a note to the Soviet Government fully setting out their position and informing it that in view of the insistence of the Soviet Government upon maintaining the blockade and upon the institution of restrictions on air communications, they are compelled, in compliance with their obligations under the Charter of the United Nations, to refer the matter to the Security Council."

Latest developments in the Paris conference of the UN General Assembly indicated that the West is fully determined to utilize the UN machinery to fight the Russians. In order to prevent the Russians from having any influential say in the conducting of UN business, Russia and her satellites received only two of 14 seats on the important UN Steering Committee. Not a single Russian or satellite candidate won when six committee chairmen and the Assembly President were elected. Because Russia and her satellites represent in area and population one of the largest blocs in the United Nations, the campaign to limit their representation in top assembly administrative posts was considered a stinging rebuff to Soviet world policy. Radio Moscow blasted the elections as "sheer mockery," stressing that the failure to name even one Soviet candidate as a committee chairman violated the United Nations principle of geographical distribution of key posts. "What happened in the General Assembly, when not a single post as chairman of any leading committee was filled by representatives of Slav countries, constitutes a mockery of principle and deprives the steering committee of even a shade of representative character," it charged.

* * *

War Talk

IN the ever deepening cold war, both the West and the East are doing their best to pass the buck. The Western powers made public a White Paper, charging Soviet Russia with full responsibility for the breakdown of the protracted negotiations on Berlin. Moscow promptly denied the charges and made counter-charges accusing the Western Powers of deliberately breaking up the talks.

The Paris session of the UN General Assembly has virtually become a sounding board for the contending parties. British Foreign Secretary Ernest Bevin openly talked about war. He told the UN General Assembly that war would come sooner than most people expected if the Soviet Union persisted in its policy. He said: "War will come—make no doubt about it—if the Soviet Union continues to flaunt the opinion of civilized mankind. Britain will not stand idly by. We are committed to a line of policy which we will pursue despite all odds."

Discussing the future of the UN, Bevin significantly said: "If the United Nations Organization cannot be maintained on a world basis it might have to be reorganized on a regional basis . . . I realize the significance of proposing the abandonment of the United Nations on a world basis. I do not say such a thing without due consideration and I do not say it because I am Ernest Bevin. I say it on behalf of His Majesty's Government. And his Majesty's Government believes that it is perhaps in the regional structure of the United Nations that the world may get the government for which humanity yearns, and towards which it has been striving and struggling for so long."

Re-Organized UN

Bevin's blunt statement on a reorganization of the United Nations structure on a regional basis seems to lend color to Soviet charges that some people are attempting to torpedo the United Nations Organization. Radio Moscow charged that "the enemies of peace and international cooperation insist upon transforming the UN into an instrument for their expansionist ideals....It is the wish to the USSR that under the aegis of this organization, all of the democratic countries, whether small or great and irrespective of the difference in ideology and in their social structure, should preserve the peace and universal security. But the partisans of world domination follow a different line of conduct. They have substituted a policy of creating blocs and military coalitions directed against the USSR and the countries of the people's democracy for the policy of international cooperation."

AP reported from Washington that American officials were wondering whether Russia is ready to quit the United Nations. Besides, there was much talk in Europe about a possible Russian walkout from the United Nations and loose talk about possible war is said to have caused considerable concern. *UP* reported from Paris that "A threat of war, which hung over the Assembly weeklong, seemed more real as delegates learned:

1. The Western Powers decided to place Russia in the dock of the Security Council on one of the most serious charges—threatening international peace and security.
2. The world has been formally divided into two.
3. The fate of the United Nations and probably the entire world depends upon the most sensational case ever tried in a world organization since Russia was ejected from the League of Nations for aggression against Finland.

To add to the prevailing war scare and hysteria, diplomatic circles in Washington disclosed that a broad measure of success has been achieved in London by the Western Union five-nation defense committee and by the ambassadorial body tackling the political aspects of the problem. Important progress has been claimed in the drafting of plans for joint action in Germany, for mutual defense and for the sharing of bases and other facilities.

London and Washington made no secret of their feverish war preparations. British Defense Minister, Albert V. Alexander, announced in the House of Commons that plans for the emergency recall of the forces have been prepared as "a matter of common prudence." He added: "The mobilization machinery has been overhauled, and if unhappily such machinery had to be used it would be found to work satisfactorily."

In support of Bevin's regional security theory, Alexander said: "The attainment of our purposes may have to be sought by an attempt to build collective security by regional security. We should look at defense from the viewpoint that our defense is bound up with others. We shall at all times make the greatest contribution we can afford to collective security."

Londoners appear to be in a state of jitters as a result of the disturbing war talk...An *AP* story gives a vivid picture of the situation.

"Britain's hasty rearming against the possibility of war has left its citizens in a state of shock. Dr. Cyril Garbett, Archbishop of York, summed it up in the House of Lords that people in Britain have had a great shock in the last few days because, for the first time, it was realized there is a possibility of war. An elevator operator who had greeted his passengers for the past three years with a simple 'good morning' burst out today with 'When does the war start?'

Rearmament

"There is an unmistakable change in the atmosphere. Travelers from both the United States and the continent have remarked for months on the British calm. While war scares have come and gone, both to the east and west of these islands, the average Briton was apt either to joke about them or simply ignore them entirely. Now, in less than two weeks, this country has been told that the demobilization of the armed forces is to be slowed. The army, navy and air forces are to be strengthened with both men and materials, and production of weapons is to be greatly increased. Civilian defenses are to be brought to a state of constant readiness. Much of the information given the public has been purposely vague. Government critics have stressed this point. They complained that the people were being kept in the dark, that the lack of details indicated lack of more than stop-gap planning."

The United States is not lagging behind Britain in this respect. The *New York Times* says the joint chiefs of staff of the United States armed services have set up a tentative schedule of requirements for a possible "mobilization day." It is further disclosed the tentative schedule was delivered to the munitions board of the national military establishment. The munitions board is in a position to construct a firm plan for the industrial mobilization necessary for conducting modern war, the *Times* said.

It was revealed that over $700 million worth of critical war needs has been stockpiled, including about half of which are scarce raw materials. The board is also tagging industrial plants for their suitability in war production; 12,000 have been surveyed thus far, with a total of 30,000 hoped for.

Chinese Magazine Roundup

News Magazine

Finance Minister Wang Yun-wu came in for many hostile criticisms and blistering attacks following the recent leakage of information on currency reform. It was even rumored that he had once tendered his resignation, but he was told to stay on his job by President Chiang Kai-shek, so the story goes.

New Magazine of September 25, 1948, carried an article explaining the reasons why Wang was appointed Finance Minister in Dr. Wong Wen-hao's Cabinet, who were behind the movement to oust him and what will be Wang's future.

The appointment of Wang Yun-wu as finance minister was generally regarded as quite unexpected, but there were reasons for it, the article says. "First, Wang is a so-called social dignitary. There are only a handful of social dignitaries these days and a few of them hold government offices. Therefore, for window-dressing purposes Wang was given the key post of finance minister in a Cabinet which claims to implement the constitution and democracy. Second, both T. V. Soong and H. H. Kung were too powerful in financial matters while Chang Kia-ngau and Wu Ting-chang were too anxious to gain control of government finance. The final choice of Wang served a double purpose, to prevent the manipulation of finance by Soong and Kung on the one hand and to prevent Chang and Wu from fighting each other for the post. Third, Wang's success in running the Commercial Press was attributable more to his tight-fistedness than to his 'scientific administration.' Now, the Government, in desperate financial straits, needs a man of Wang's boldness and tight-fistedness. Wang was at his best when he openly stated that it was utterly impossible to better the treatment of government employees and school teachers. Fourth, during the past, finance ministers like H. H. Kung, T. V. Soong and O. K. Yui were financial big shots themselves. Therefore it often happened that the financial measures they adopted were either designed to serve their selfish interests or were influenced by other multi-millionaires. The appointment of Wang Yun-wu as finance minister would make it impossible for the favored families and money kings to interfere with currency reform."

The article continues to reveal that after the arrest of Tao Chi-ming, secretary of the Finance Ministry, in connection with the Wing On share scandal, there were three main "currents" which sought to kick out Wang. Powerful leaders of the Kuomintung wanted to place Li Ming, leader of the influential group of Kiangsu and Chekiang bankers and financers, in the financial saddle. When the Legislative Yuan met behind close doors on September 10, legislators fired a volley of questions at Wang, who was greatly embarrassed and who finally got away thanks to the timely intervention of Premier Wong Wen-hao. Besides, T. V. Soong and H. H. Kung were maneuvering to reinstate O. K. Yui or to have Vice Finance Minister Hsu Pai-yuan take over Wang's place. It is alleged that Hsu is T. V.'s man and is highly influential and powerful in the Finance Ministry. If this plan does not materialize, the article predicts that Hsu will be appointed Governor of the Central Bank of China.

The relations between Wang Yun-wu and the Political Science Group, the article points out, are exceedingly "delicate." "On the one hand, Wang is a member of Wong Wen-hao's cabinet and should be backed by the Political Science Group. But on the other hand, the two cabinets of the Political Science Group failed to take over the portfolio of the finance minister. Chang Chun's Cabinet controlled the Central Bank of China, but Wong Wen-hao's Cabinet failed to take either the finance ministry or the Central Bank."

In conclusion, the article holds the view that Wang's recent trip to the United States to attend the conference of the International Bank and his eventual success or failure in seeking international aid will have a great deal to do with his future.

* * *

Reconstruction Review

Mr. Lu Ke-nan discusses the real meaning of democracy in the *Reconstruction Review* of September 25, 1948, and points out that democracy is opposed to absolutism in that it respects reason and individual personality.

"Under democratic government every one is entitled to his opinion on any subject and no one has the right to say 'I can do no wrong' or 'I assume full responsibility.' By democracy is meant government by the people.

"I can do no wrong is tantamount to saying that the speaker is a superman. This runs counter to the basic spirit of democracy. Only a man who does nothing can claim that he can do no wrong....

"Under democratic government, to say 'I assume full responsibility' means that the speaker has the moral strength to admit his own mistakes..

"A good example is furnished by former British Chancellor of the Exchequer, Dalton, who voluntarily tendered his resignation without awaiting any censure from the Opposition when there was a sensational leakage on the Government's budget. His dignified behavior received much admiration from the general public. I am wondering what our Finance Minister Wang Yun-wu is going to do now that his secretary has made big money through the leakage of information on currency reform.

"I don't quite understand what Chinese politicians mean when they talk about assuming responsibility. It would appear that they mean to say 'We know our own business and you just shut up.' The lowest of them have adopted this attitude: 'Let them say what they like but we'll stay on in our jobs all the same.' Therefore, their talk about assuming full responsibility seems to have a positive sense. They consider themselves as emperors whose word is law. It is open to doubt how much democracy there is in such assumption of full responsibility. If China today is still under the despotic rule of a monarch, then I have nothing to say. However, if our epoch is one of republicanism and democracy, we cannot afford to put up with such practices.

"If China is to carry out democracy at all, my personal opinion is that the first thing to do is to see to it that people in power should not overstep the scope of their power and authority....

"I doubt Communist methods very much, not because I do not understand Communism, but because I suspect the sincerity of the Communists when they talk about democracy. Ever since Soviet Russia joined the fight on the side of democracy and since the Chinese Communists talked about their new democracy I have not heard a single newspaper or magazine which dared to openly criticize Mr. Joseph Stalin or Mr. Mao Tze-tung. If Stalin and Mao Tze-tung were Gods, we could say nothing at all. However, if they are ordinary human beings, it cannot possibly be said that they have never made any mistakes. This kind of reasoning is equally applicable to the leaders of the Kuomintang. In short, if we want democracy at all, we should not be afraid of offending people.

Great Chinese statesmen like Tsung Tze-chang are always ready to listen to criticism. Even such a despot as Ch'in Shih-huang was willing to accept Wang Chin's recommendations with good grace. Any one who wishes to make good should not confine himself in a small circle. He should not turn a deaf ear to critics and listen only to the praise of his flatterers."

Lu further emphasizes that democracy is based on the principle of "checks and balances." The reason why a democratic government should be built on the principle of "checks and balances" is because the power of any one man should have its limit. Once he over-steps his power, there must be another agency to check or resist him until he is brought back to normal. This kind of government is the product of the successful operation of the British Cabinet system and has now been widely accepted as the fundamental principle of democratic government, the writer says.

US Magazine Roundup

Far Eastern Survey

RHOADS Murphey analyzes "The Food Supply Of Shanghai" in the June 2, 1948, issue of *Far Eastern Survey*. "While the development of Western cities of a million and over (in population) during the past century has rested on the technological revolution in agriculture and the spread of mechanized transport, Shanghai has supported an equally large and still more rapid growth on what has in most respects remained a traditional hinterland," Mr. Murphey states. "The problem of food supply is an important one for the future, when large industrial cities will increasingly be superimposed on the more slowly changing Chinese agrarian pattern. Rice is the basic food commodity here, for which statistics are far more complete than for any other food items."

"Shanghai," he continues, "is the funnel for the wealth of the Yangtze delta; it is also the commercial focus of the whole of China. Its situation near the sea, midway between north and south, near to Japan and the sea routes to the West, more than makes up for the lack of a good harbor. Shanghai's growth was the direct result of the opening of China to foreign trade. The city's development is indicated by its population growth: from 250,000 in 1870 to 1,000,000 in 1910 to almost 4,000,000 in 1936."

Yet, for all the importance of the Yangtze delta area with its major industrial cities, dense population and great fertility, the overland transport network of roads and railways is "minimal," Mr. Murphey asserts. "Only two railway lines serve the area of the Yangtze delta, and only a basic skeleton of motor roads." The chief and indispensable means of transport for this area is water transport, and upon water transport depends the supply of rice which feeds Shanghai and the other cities of the region.

Describing the delta, the author says: "Fertile alluvial soil, a growing season averaging slightly under 300 days, an annual rainfall of 45 inches, and the fact that 71 percent of the total area is cultivated (the highest figure for China) have resulted in a total production of rice great enough to create the surplus which goes to feed the delta's cities. The outstanding fact in the physical environment of the delta is the omnipresence of water. In addition to the great rivers and lakes, the entire area, especially in the triangle outlined by Shanghai, Nanking, Wuhu, and Hangchow, is interlaced with canals."

The bulk of the article is devoted to the two interdependent factors of rice and water transport: "The monthly reports on the Shanghai rice market issued by the City Chamber of Commerce list supplies of rice entering the city according to source. Most of the places so mentioned cluster within a 75-mile radius of Shanghai. For the most part they are located with indifference to existing road or railway networks, the majority of the places being on main waterways. In every case water transport direct to Shanghai is easy.

"When the rice supply pattern for Shanghai is compared with the total figures of rice production in Kiangsu Province by hsien, it is seen that only the heavy rice producing hsien which lie within the 75-mile radius send amounts to the city significant enough to be recorded. If a surplus exists in the other large rice producing hsien, then either transport costs are too high for competition with nearer areas or Shanghai can draw sufficient amounts from the nearer areas at a reasonable price to fill the majority of its rice needs....

"The rice market in Shanghai and the day to day movement of grain from supply areas is more sensitive to rain than to any other factor. The canals are easily flooded and the boatmen frequently refuse to load or unload when it is raining. For these reasons the flow of rice to the city stops almost completely whenever it rains. The fact that the entire Shanghai rice market, including foreign and out-province rice, reacts from hour to hour to the rain situation in the city clearly indicates, first, that water transport is basic to the rice supply and, second, that local sources of rice hold the commanding position." This latter point is one which the author makes more clear later on in his article when he points out that only a small percentage of the rice consumed in Shanghai is of foreign origin. (The article was written on a basis of "normal times" and therefore does not take into account the extraordinary situation existing today with shiploads of rationed rice coming into Shanghai under the ECA relief program.)

Using the yearly averages estimated by the Shanghai Municipal Government over a period of five prewar years as a basis for computation, Mr. Murphey shows that of the total of 760,000,000 pounds brought into the city yearly, 560,000,000 pounds of it arrive via Soochow Creek and/or the Whangpoo, 60,000,000 pounds of domestic origin rice come in from the sea via the Yangtze, 60,000,000 pounds of domestic origin rice arrive via overland routes, leaving only 80,000,000 pounds of rice of foreign origin which is imported into and consumed in Shanghai. "Large amounts of foreign rice, mainly from Saigon, enter Shanghai," Mr. Murphey concedes, "but the majority of these supplies are ordered by and subsequently reshipped to other Chinese cities (Nanking, Tientsin, Hankow and Ningpo, particularly). These cities are much more dependent on foreign rice than is Shanghai, because of the absence of easy transport in the hinterland of the other cities."

Another factor emphasizing the dependence of Shanghai upon water transport for its food supply, the author points out, is recurrent political troubles and civil strife. During these periods (and the present is a good example), fear of expropriation of cargoes by the military has resulted in an almost complete cessation of river and overland rice traffic for days at a time. "The market reports make it clear that without water transport from nearby sources the city would starve." On the other hand, "there is no indication that, given other than civil war conditions, Shanghai could not live on local rice sources."

Mr. Murphey concludes with a brief reference to the part which costs play in the rice supply picture. "In a pre-industrial agrarian economy like China's, transport costs for any but high unit value goods are prohibitive beyond short distances. Once it is necessary to leave the water, these costs rise so steeply that rivers and canals are still used to carry the bulk of China's goods. Only a complete and well organized railway network can break this pattern."

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Pacific Affairs

THE June issue of *Pacific Affairs* contains an article on the novel phenomenon now occurring in southern Asia. The author, Virginia Thompson, refers to this still not too firmly established phenomenon as the trend towards unity.

"There are many factors which appear to make for unity in southern Asia. All of the countries of the area, with the partial exception of Siam, have been politically, economically and culturally dominated by the Occident. All have minority problems, both indigenous and alien; all have great natural resources, traditionally favorable trade balances, and an impoverished peasantry; and none has a native middle class. Elements of disunity, however, seem to be almost equally potent. While Hinayana Buddhism prevails in Burma, Siam, Cambodia, and Laos, the Mahayana form is practiced by the Annamites, and the Malays almost to a man are Muslims. The economies are similar rather than complementary: the northern countries of the area are rivals in the world markets of rice and teak, while the Malay nations compete in producing tin and rubber. Linguistic affinities exist among the Malays and also among the peoples of Thai origin, but no *lingua franca* binds the whole area together. Above all, the lack of communications among them, due to geographical barriers and artificial political ties, accounts for mutual ignorance and breeds mutual suspicion . . ."

What US Papers Say

ENDORSEMENT of Secretary of State Marshall's address before the UN General Assembly was voiced in US press editorials last week. Communist administration of their areas in China and affairs in both Indonesia and Java also were subjects for editorials.

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Marshall's Speech

THE *New York Times* said in part: "In his address Secretary Marshall outlined again the fundamental propositions of American foreign policy and the faith on which that policy is based. It was a moderate and conciliatory speech which neither challenged nor threatened anybody. On the contrary, it made a new appeal for international cooperation and an easing of the tensions still threatening this sorely-tried generation. And it called on all nations, irrespective of their political, social, economic or cultural structures, to redouble their efforts to find common ground above the existing rifts by returning to the Charter of the United Nations.

The *Washington Post* said: "With the Berlin crisis overhanging the United Nations, the address will be read with particular care. The world will discover in it nothing sensational and nothing threatening. It is the speech of a man of peace, anxious to relieve tension and to discover a common ground for that purpost. Equally there is nothing in it of appeasement. Secretary Marshall twice pledged America against any sell-out of 'basic principle'—the principle of respect for law and order which is written into the Charter of the United Nations.

"'Under no circumstances,' he says, will we 'barter away the rights and freedom of other peoples.' This is the key phrase of the address, and it should bring reassurance to the peace-loving peoples, just as his statement that American patience should not be mistaken for Americaa weakness, should be a warning to the world's highwaymen."

The *Philadelphia Inquirer:* "Secretary Marshall has delivered a somber and timely warning to Soviet Russia in his measured restatement of American policy before the UN General Assembly.

"That this warning is necessary is shown by the continued refusal of the Soviets to act within the spirit of the UN Charter all over the world, and especially in recent months in their attempt to rely upon force and duress to gain their ends in Berlin."

* * *

Chinese Reds' Rule

A *New York Herald Tribune* editorial observed that criticism of Nationalist Chinese leadership might be directed more pointedly to the administration of areas under Communist control. The *Herald Tribune* declared:

"While the Government of China is showing a few signs of renewed vigor, especially in efforts to attack corruption in high places, the Communists there have encountered some serious obstacles. One of these is their lack of sound administrators. The Reds in China have even fewer able administrators than the Government and, as they have won control of larger and larger areas, this lack has grown more apparent.

"In parts of the regions they control, the Communists have modified their land program. They have turned away from extremist methods of redistributing land (which often involve the murder of more prosperous peasants) and are using again, as they did during the war with Japan, such moderate methods as reduction of rents and interest rates.

"It seems probable that one reason for the change is the essential conservatism of the Chinese peasant, who wants fair play but is not attracted by radical ideas, except when his situation is desperate. Another reason seems to be that many of the Communist administrators responsible for the land distribution program were incompetent or were rascals, or both.

"In other words, the shortage of able and honest officials in China is by no means confined to the territory controlled by the Nanking Government. The Reds in China are troubled by precisely the same condition."

* * *

Trouble In SE Asia

EVENTS in Southeast Asia came in for editorializing by both the *New York Times* and the *Washington Star*. The former discussed the Indonesian problem while the latter referred to Java.

The *Times* stated: "The problem of Indonesia is the one colonial problem that always has seemed, and seems today, most susceptible to a just compromise between the legitimate aspirations of a native people for control of their own destiny and the legitimate interests of a colonial power that has ruled for three and a half centuries and whose own metropolitan economy has, through that time, become inextricably interwoven with that of its dependant area. This hope of peaceful solution was compromised by the Dutch 'police action' of last July, but there still has not been aroused, on either side in the Indies, the bitterness that makes a just solution too difficult to reach.

"The revolt of the Communists in Java against the Republican Government of President Soekarno, with which they had ostensibly been cooperating since proclamation of the Republic on August 17, 1945 just after the Japanese surrender, may have cleared the air. For one thing, it must have disillusioned honest leaders of a nationalist movement as to Communist intentions.

"An early election held iin all Indonesia—preferably under UN observation, so that no charges could be raised later of coercion or intimidation on either side—could prepare the way for a national assembly and then the establishment of a United States of Indonesia that would protect present Dutch investments and give the Netherlands continued access to the Indies, along with other countries, to aid the development of the country. Because they know the country and its people, the Dutch undoubtedly could still hold their leading position. Meantime, help in promoting such a just settlement, in accordance with both the letter and the spirit of the Atlantic Charter and the best principles of all democratic countries, would do much to raise the prestige of the United Nations in the Far East. It would be the best possible answer to spreading Communist influence among that half of the world's population which is crowded into that part of the world."

The *Star* editorial entitled, "Chaos in Java," delved into some of the political background of that island and advanced some opinions as to the various leftist factions involved. It stated: "'The self-styled Indonesian Republic, which in reality controls only the central portion of the island of Java, plus certain districts in neighboring Sumatra, has been afflicted from the start with grave factional difficulties that have hindered the maintenance of internal order and complicated its negotiations with the Dutch. The Republic has been an area of contending parties ranging all the way through the political spectrum from a conservative Moslem group to moderates, Socialists and Communists, the latter bitterly split among themselves into Stalinist and Trotzkyist wings. During recent months a moderate regime has been at least nominally in control, headed by Premier Mohammed Hatta, who has been doing his best to stabilize the internal situation and reach an agreement with the Dutch on an equitable basis.

"That, however, is the last thing the Communists desire, and the local Communists recently have made notable progress, successfully infiltrating other left-wing parties. They are now staging an armed uprising which is two-fold in character. It is directed against both the Hatta Government and the Trozkyists who, though hostile to the Government, refuse to bow to Leninist dictation. As a measure of the seriousness of this uprising, the Communists have seized control of Madiun, the Republic's third largest city, and have forced the Hatta regime to invoke martial law. The upshot is a chaotic struggle which, if it continues, might soon reduce the Republic to at least temporary anarchy—a situation favorable for eventual Communist control."

What Chinese Papers Say

CHINA'S currency reform program is regarded by most Chinese newspapers as having met with initial success. The situation in Northeast and North China has caused considerable concern during the week.

* * *

Currency Reform

REVIEWING the actual enforcement of the currency reform program during the past month, the *Ta Kung Pao*, typical of many papers, said that the program has proved quite a success so far.

According to the paper, this success is seen in the following facts. First, commodity prices have remainly fairly stable. Second, the surrender of privately-owned gold, silver and foreign exchange holdings has been unexpectedly satisfactory. Third, Major-General Chiang Ching-kuo's tiger-hunting in Shanghai has not only forced down commodity prices but also produced a favorable psychological effect on the general public.

However, the paper pointed out that in spite of the initial success, the Government is now faced with a new series of problems. "Idle capital is exerting pressure on commodity prices. More and more Gold Yuan notes are being issued and the amount of notes issued as a result of the conversion transactions alone is already quite large. Originally, this capital was hidden wealth, but it has now been converted into Gold Yuan notes in circulation. Consequently, this idle capital is increasing and is looking for an outlet. Hoarding, as an outlet in the past, has now been blocked by inspection of warehouses. So idle capital has no other alternative but to flee to other places where government control is less rigid. The Government's plan for absorbing idle capital through the sales of shares in Government-owned enterprises and the floating of bonds has failed to produce the desired effects. If the large amounts of idle capital cannot be directed into productive channels, it is only a question of time before idle capital will destroy the control measures. The Government must look this problem in the face.

"Second, the rest of the country is bringing pressure to bear upon Shanghai. Price controls in the implementation of currency reform have been particularly effective in Shanghai. Prices have been advancing in other places, but Shanghai has witnessed a relative price stability, with the result that the supply of many commodities which used to flow to Shanghai in large quantities has suddenly been cut off.

"Third, productive enterprises have slowed down their operations. In a society of private ownership of property, people engage in production in order to make a profit. When production becomes profitless or even non-money making, it would be impossible to continue production. Now prices have suddenly ceased going up. This is not entirely beneficial to production. Productive enterprises which are facing the greatest difficulty are those which depend upon imported raw materials for their continual operation, for foreign exchange has suddenly increased by 50 percent. In addition, taxes and transportation charges have been hiked. In other words, the costs of production have been increased. But commodity prices have been frozen. Of course, this makes production extremely difficult. This is a problem every one can see for himself and the gain is much greater than the loss.

Discussing the political significance of the currency reform, the paper stressed that the forcing down of prices is highly beneficial to the vast majority of the people. "Although some damage has been done to a group of people who are especially loyal to the Government, yet the gain is much greater than the loss.

"However, what the Government is doing now is still not entirely satisfactory, for the favored families have not yet been affected by the economic control measures. The registration and control of Chinese-owned foreign exchange assets abroad is a matter of the greatest importance. Whether or not these favored families are patriotic and behind the Government will have quite a lot to do with the success or failure of the currency reform. If the Government can overcome this difficulty, then the people can no longer criticize it and the industrialists and businessmen will willingly toe the line. However, if the Government's tiger-hunting campaign only ends with yellow ox-hunting, things would be most unfortunate."

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Fighting in the North

THE *Cheng Yien Pao* took a serious view of the fighting now going on in North China and called attention to the necessity for co-ordinated Nationalist action in North China and Manchuria.

"There is no doubt," the paper writes, "that geographically Manchuria and North China constitute one family. That is why the Communists after their eighth offensive in Manchuria took steps to unify Manchuria and North China into one single war area. The main body of Communist forces under Nieh Jung-chen were long ago transferred to East Hopei while several hundred thousand men under Lin Piao were moved from Manchuria into China Proper, with Li Yun-chang's units on the Hopei-Chahar-Manchuria borders as a link. . . The Communists are now massing their available units for a large-scale drive to capture Chinchow. Should they succeed in doing so, they would lose no time in launching another drive in North China, in order to realize their political dreams by military means. It is on the basis of this that the Communist leader Mao Tze-tung has assured the various political factions in Hongkong that soon after the beginning of the autumn offensive a city in North China will be selected as the meeting place for the proposed "new Political Consultative Conference.

"Fighting has been going on for more than a week, and it is still not known what the outcome will be. But the attacks of the Communist forces during the past few days are only trial balloons. The major battle has not yet started, for the 10 and more columns under Lin Piao are still on the way and have not yet participated in the fighting. How are the Government forces going to cope with the Communist attacks and to launch counter-attacks? Military operations on the whole of the Peiping-Mukden railway line are under the direction of General Fan Han-chieh, Commander-in-Chief of bandit-suppression forces in the Hopei-Chahar-Liaoning-Jehol border area, and the armies under the command of General Fu Tso-yi of North China and General Wei Lih-wang of Mukden will assist General Fan's forces as the occasion requires. After Changli was lost and when Hsingcheng and Suichung were in danger, General Fu's mobile units acted quickly and played their role well, with the result that the vanguard of Communist forces who had occupied Changli and reached either side of the Peiping-Mukden railway were defeated. However, General Wei Li-hwang's forces still seem to adopt the attitude of watching the movements of Red forces. It is true that in using military forces, one has to appraise the general situation before deciding whether one should take the offensive or remain on the defensive, so there is no ground for us to criticize General Wei for his decision. However, we feel that now that the military situation in the Northeast has developed to such a stage, the strategy of pinning down the enemy forces should be changed in the light of developments. . . .

"Besides, there is no supreme military commander above the Northeast, Peiping-Mukden railway, and North China commands. Nor is there a supreme administrative official. At a time when the military situation is critical, loopholes are to be found everywhere! The current major Communist offensive is quite different from all past Communist offensives. The Communists can be said to be devoting all the resources in manpower and materials at their disposal to this life-and-death struggle. How can the Government afford not to look upon this battle as a struggle which will determine the life or death of the Party and the Government?"

The Review's English Lesson—LI

So many accounts were given of the political conventions held in the United States this past summer that each reporter, in order to attract the attention of the reading public, had necessarily to try to write his views in some unusual or striking style. The following paragraphs are taken from the beginning of an article entitled "The Wallace Party" by Howard K. Smith in *The Nation* of August 7, 1948. Notice how Mr. Smith has employed humor and idiomatic expressions in the opening lines of his report to draw and hold the interest of the reader.

"The founding convention of the Progressive Party offered infinite opportunities for **snide** 1) reporting. A youthful **naivete** 2) was its superficially dominant characteristic. **Do-goodism** 3) was rampant. **Underdogs** 4) and minorities were so fervently championed that one sometimes feared the great majority would be forgotten. Scanning the **forest of posters** 5) in the hall, the eye **jarred against** 6) exotic slogans like, "Armenia to the Armenians"; it was impossible not to wonder how many Middle-Western **pulses would rise** 7) to correct that manifest injustice come November. Once, a **gangling** 8) youth next to me in the hall invited his girl to a **hot-dog** 9), saying, as if **to clinch the case** 10) in favor of nourishment, 'The concession is union-organized'....

"The brilliant showmanship of the proceedings betrayed many of those marks generally attributed to **slick** Communist **back-staging** 11). Clever **catch-phrases** 12).....**peppered** 13) speeches that had patently been written by masters of the insidiously unforgettable **cliché** 14)....."

1) **snide**—a slang expression for mean or nasty.
2) **naivete**—artlessness or ingenuousness. Taken from the French word "naivete", this word is an example of a direct borrowing, complete with accent, from a foreign language.
3) **do-goodism**—the doctrine of doing what is serviceable and beneficial. The suffix "-ism" adds to the root of a word the meaning of quality or condition or state of being, or practise of. Here the suffix is added to a verb to make a new noun, and express an idea in an unusual form. The number of "ism" words currently used in English, however, show that this method of coining new words has been vastly overworked.
4) **underdogs**—the losers in a struggle, like a dog pinned down in a fight; the term usually refers to victims of social injustice.
5) **forest of posters**—a collection of placards large enough to suggest a dense growth of trees.
6) **jarred against**—unpleasantly encountered.
7) **pulses would rise**—persons would be roused or moved. A pulse is the regular beating in the arteries caused by contractions of the heart; the beats become more rapid and strong when a person is strongly aroused.
8) **gangling**—lanky and awkward.
9) **hot-dog**—a slang expression for a toasted frankfurter or wiener in a long roll or bun. Hot-dogs are frequently sold by vendors at large gatherings such as athletic meets or political rallies and their popularity is a peculiarly American custom.
10) **to clinch the case**—to decide a matter definitely. These last few lines, in a terse, humorous way, illustrate the author's point that the cause of the "underdogs" was being taken up by the party. The boy said, in so many words, that it was all right to eat the hot-dog as the persons selling them were members of a trade association or union and, therefore, as liberal, advanced workmen, must have wholesome products.
11) **slick back-staging**—crafty or sly "behind the scenes" maneuvers, or actions taken secretly by a managing group.
12) **catch-phrases**—expressions designed to attract and hold the imagination.
13) **peppered**—were sprinkled through and gave seasoning or piquancy to.
14) **cliché**—a trite or hackneyed expression. The word comes from the French "clicher", meaning "to stereotype".

* * *

Various readers have asked if it is proper to use a conjunction to begin a sentence. By definition a conjunction may be a connective of sentences as well as of clauses, phrases and words. It denotes relationship between ideas, and serves as a link in a chain of thought. This loose way of connecting the ideas of different sentences by the use of conjunctions is usually considered a form of rhetorical art rather than a strict grammatical construction and is frowned on by some grammarians, but the practice has proved so effective that it has become a recognized procedure. As John B. Opdycke sums the matter up: "It is not at all wrong to begin a sentence with a conjunction—any conjunction—much popular belief to the contrary notwithstanding. The initial conjunction, indeed, may well be used for emphasis and variety and effective transition and the building of climax. It is not recommended for habitual use, as no single construction is, but it is illogical to assume that any word in the language may not be used at the beginning or at the end of a sentence."

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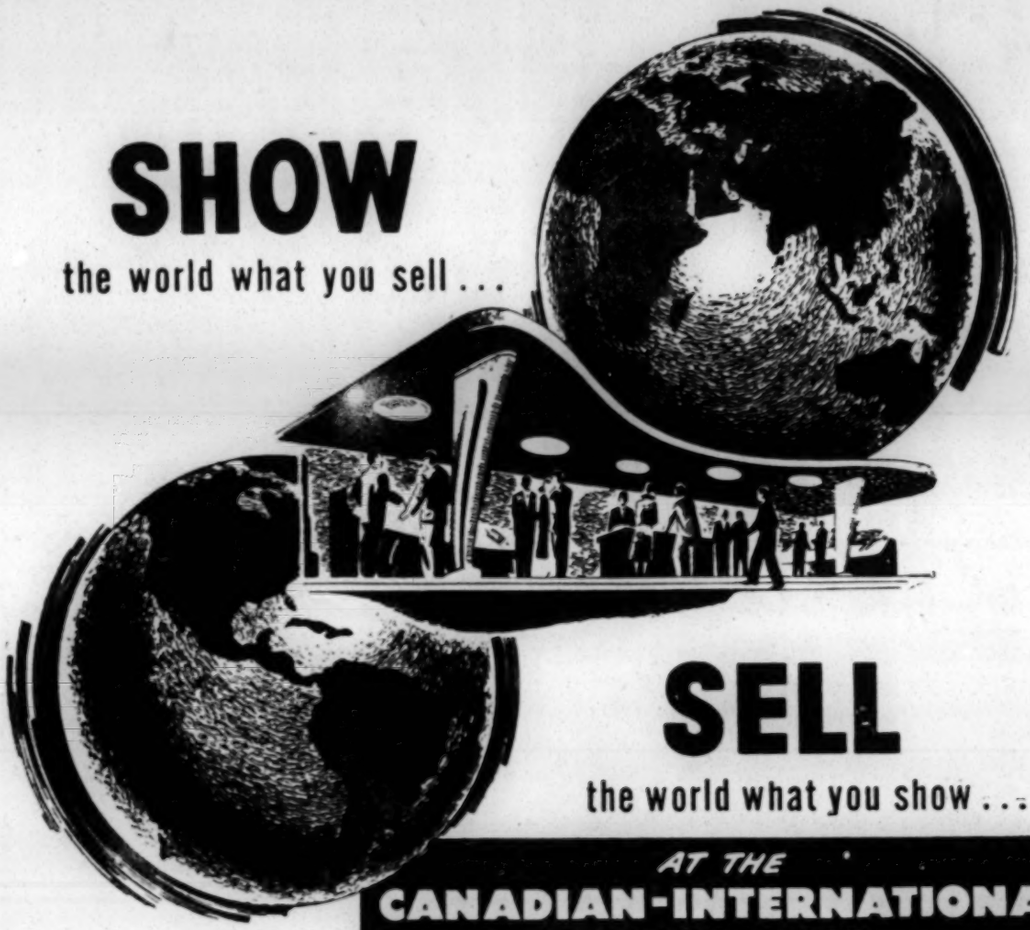

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